

LHN GROUP

SPACE OPTIMISED

LHN Limited

賢能集團有限公司*

(Incorporated in the Republic of Singapore with limited liability)
Stock Code : 1730

Facilities Management



Security Services



GreenHub Suited Offices



Space Optimisation



Carparks



Logistics



GLOBAL OFFERING

Sole Sponsor



Joint Bookrunners and Joint Lead Managers



IMPORTANT

IMPORTANT: If you are in any doubt about the contents of this prospectus, you should obtain independent professional advice.



LHN LIMITED 賢能集團有限公司*

(Incorporated in the Republic of Singapore with limited liability)

GLOBAL OFFERING

Number of Offer Shares	: 42,000,000 Shares
under the Global Offering	
Number of Hong Kong Offer Shares	: 4,200,000 Shares (subject to reallocation)
Number of International Offer Shares	: 37,800,000 Shares (subject to reallocation)
Maximum Offer Price	: Not more than HK\$2.36 per Offer Share and not less than HK\$1.90 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Stock Code	: 1730

Sole Sponsor



Joint Bookrunners and Joint Lead Managers



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Appendix VII — Documents Delivered to the Registrar of Companies in Hong Kong and Available for Inspection", has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be fixed by agreement between the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Wednesday, 20 December 2017 and, in any event, not later than Wednesday, 27 December 2017.

The Offer Price will not be more than HK\$2.36 and is currently expected to be not less than HK\$1.90 unless otherwise announced. Investors applying for Hong Kong Offer Shares must pay, on application, the maximum Offer Price of HK\$2.36 for each Share together with a brokerage of 1.0%, an SFC transaction levy of 0.0027% and a Hong Kong Stock Exchange trading fee of 0.005%. The Joint Bookrunners (for themselves and on behalf of the Underwriters), with the consent of our Company, may reduce the number of Offer Shares being offered under the Global Offering and/or the indicative offer price range stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, a notice of the reduction in the number of Offer Shares being offered under the Global Offering and/or of the indicative offer price range will be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our Company's website at www.lhngroup.com not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Further details are set out in the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus. If, for any reason, the Offer Price is not agreed between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) on or before Wednesday, 27 December 2017, the Global Offering will not proceed and will lapse. The Joint Bookrunners (on behalf of the Hong Kong Underwriters) have the right in certain circumstances to terminate the obligations of the Hong Kong Underwriters pursuant to the Underwriting Agreements at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Further details of such circumstances are set out in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" in this prospectus.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold, pledged or transferred within the United States except that Offer Shares may be offered, sold outside the United States in accordance with Rule 903 or Rule 904 of Regulation S.

* For identification purpose only

15 December 2017

EXPECTED TIMETABLE⁽¹⁾

We will issue an announcement in Hong Kong to be published on the Hong Kong Stock Exchange's website at www.hkexnews.hk and our Company's website at www.lhngroup.com if there is any change in the following expected timetable of the Hong Kong Public Offering.

- Latest time for completing electronic applications under the **HK eIPO White Form** service through the designated website www.hkeipo.hk⁽²⁾ 11:30 a.m. on Wednesday, 20 December 2017
- Application lists open⁽³⁾ 11:45 a.m. on Wednesday, 20 December 2017
- Latest to (1) lodge **WHITE** and **YELLOW** Application Forms; (2) complete payment of **HK eIPO White Form** applications by effecting Internet banking transfer(s) or PPS payment transfer(s); and (3) give **electronic application instructions** to HKSCC⁽⁴⁾ 12:00 noon on Wednesday, 20 December 2017
- Application lists of Hong Kong Public Offering close⁽³⁾ 12:00 noon on Wednesday, 20 December 2017
- Expected Price Determination Date on or about⁽⁵⁾ Wednesday, 20 December 2017
- Announcement of (i) the Offer Price; (ii) the indication of the levels of interest in the International Offering; (iii) the level of applications in the Hong Kong Public Offering; (iv) the basis of allocation of the Hong Kong Offer Shares to be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our Company's website at www.lhngroup.com⁽⁶⁾ on or before..... Thursday, 28 December 2017
- Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where applicable) to be available through a variety of channels as described in the section headed "How to Apply for Hong Kong Offer Shares — 11. Publication of Results" in this prospectus from Thursday, 28 December 2017
- Results of allocations in the Hong Kong Public Offering will be available at www.tricor.com.hk/ipo/result with a "search by ID" function from..... Thursday, 28 December 2017

EXPECTED TIMETABLE⁽¹⁾

Despatch/collection of Share certificates or deposit of the share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before⁽⁷⁾⁽⁹⁾⁽¹¹⁾ Thursday, 28 December 2017

Despatch of **HK eIPO White Form** e-Auto Refund payment Instructions/
Despatch/Collection of refund cheques in respect of wholly or partially successful (if applicable) or wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾ Thursday, 28 December 2017

Dealings in the Shares on the Main Board of the Hong Kong Stock Exchange is expected to commence at 9:00 a.m. on Friday, 29 December 2017

Notes:

1. All times and dates refer to Hong Kong local times and dates, except as otherwise stated. Details of the structure of the Global Offering, including its conditions, are set out in the section “Structure of the Global Offering” in this prospectus.
2. You will not be permitted to submit your application through the designated website at www.hkeipo.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of the application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
3. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, 20 December 2017, the application lists will not open and close on that day. Please see the section “How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists” in this prospectus.
4. Applicants who apply for the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC should refer to the section “How to Apply for Hong Kong Offer Shares — 6. Applying by Giving Electronic Application Instructions to HKSCC via CCASS” in this prospectus for details.
5. The Price Determination Date, being the date on which the Offer Price is to be determined, is expected to be on or about Wednesday, 20 December 2017, and in any event not later than 5:00 p.m. on Wednesday, 27 December 2017. If, for any reason, the Offer Price is not agreed on or before 5:00 p.m. on Wednesday, 27 December 2017, the Global Offering (including the Hong Kong Public Offering) will not proceed and will lapse.
6. None of the websites or any of the information contained on the websites forms part of this prospectus.
7. The share certificates for the Hong Kong Offer Shares are expected to be issued on Thursday, 28 December 2017 but will only become valid certificates of title at 8:00 a.m. on Friday, 29 December 2017, provided that (i) the Global Offering has become unconditional in all respects; and (ii) neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade the Shares on the basis of publicly available allocation details prior to the receipt of share certificates or prior to the share certificates become valid certificates do so entirely at their own risk.

EXPECTED TIMETABLE⁽¹⁾

8. Refund cheques will be issued in respect of wholly or partially unsuccessful applications, and in respect of successful applications if the Offer Price as finally determined is less than the price payable on application. If you apply through the **HK eIPO White Form** services by paying the application monies through a single bank account, you may have e-Auto Refund payment instructions (if any) despatched to your application payment bank account. If you apply through the **HK eIPO White Form** services by paying the application monies through multiple bank accounts, you may have refund cheque(s) sent to the address specified in your application instructions to the designated website (www.hkeipo.hk) by ordinary post and at your own risk. Refund by cheque(s) will be made out to you, or if you are joint applicants, to the first-named applicant on your Application Form. Part of your Hong Kong identity card number/passport number, or, if you are joint applicants, part of the Hong Kong identity card number/passport number of the first named applicant provided by you may be printed on your refund cheque, if any. Such data may also be transferred to a third party for refund purposes. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque, if any. Inaccurate completion of your Hong Kong identity card number/passport number may lead to a delay in encashment of, or may invalidate, your refund cheque.
9. Applicants who apply on **WHITE** Application Forms or through **HK eIPO White Form** service for 1,000,000 Hong Kong Offer Shares or more under the Hong Kong Public Offering and have provided all information required by the Application Forms, may collect their (where applicable) refund cheques and (where applicable) share certificates in person from our Hong Kong Share Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, 28 December 2017. Applicants being individuals who are eligible for personal collection must not authorise any other person to make collection on their behalf. Applicants being corporations who are eligible for personal collection must attend by their authorised representatives bearing a letter of authorisation from their corporation stamped with the corporation's chop. Both individuals and authorised representatives of corporations must produce, at the time of collection, identification and (where applicable) authorisation documents acceptable to our Hong Kong Share Registrar, Tricor Investor Services Limited.
10. Applicants who apply on **YELLOW** Application Forms for 1,000,000 Shares or more Hong Kong Offer Shares under the Hong Kong Public Offering and have provided all information required by the Application Forms, may collect their refund cheques (if any) but may not elect to collect their share certificate(s), which will be deposited into CCASS for credit to their designated CCASS Participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. The procedure for collection of refund cheques for applicants who apply on **YELLOW** Application Forms is the same as that for **WHITE** Application Form applicants specified in note (9) above.
11. Uncollected share certificate(s) and refund cheque(s) will be despatched by ordinary post at the applicants' own risk to the address specified on the relevant applications. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares — 14. Despatch/Collection of Share Certificates and Refund Monies".

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IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Our Company has not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorised by our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective directors, officers, representatives or advisers or any other person involved in the Global Offering.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” in this prospectus. You should read that section carefully in full before you decide to invest in the Offer Shares.

Prospective investors and/or our Shareholders should refer to the sections headed “Summary of the Constitution of our Company and Salient Provisions of the Laws of Singapore” and “Further Information about the Dual Listing” in the respective Appendices IV and V to this prospectus for relevant details. Laws and regulations of Singapore differ in some respects from comparable laws and regulations of Hong Kong. You should consult your own legal advisers for specific legal advice concerning your legal obligations in Singapore.

Prior to the Listing, the Singapore Principal Share Registrar and the Hong Kong Branch Share Registrar will provide three batch-transfers of the Singapore-listed Shares for Shareholders seeking to transfer their Shares to the Hong Kong Branch Share Register. See “Listing, Registration, Dealings and Settlements — Special Arrangements to Facilitates Transfers Before the Listing” in this prospectus for details.

OVERVIEW

We are a real estate management and logistics services group headquartered in Singapore with operations in Asia, principally in Singapore. We are listed on the Catalist board of the SGX-ST and are seeking a dual primary listing on the Main Board of the Hong Kong Stock Exchange. Our three business segments include space optimisation business, facilities management business and logistics services business. As at the Latest Practicable Date, we have operations in Singapore, Indonesia, Thailand, Myanmar and Hong Kong, and we had also established our subsidiary in the PRC for our expansion into the PRC. See “Business — Our Business Strategies” in this prospectus for details.

We have a long history in leasing properties and optimising space for leasing to tenants in Singapore. The executive chairman of our Board, Mr. Kelvin Lim, has been in the leasing and space optimisation business for close to 20 years. We commenced leasing out properties that we managed in 2002 and then diversified into optimising space in 2006. For our space optimisation business, we first started by optimising industrial properties and gradually expanded into commercial and residential properties. As at the Latest Practicable Date, we managed a total of 33 properties that we leased or owned for leasing to our tenants after optimisation work, of which, 19, 12, and two are industrial, commercial and residential properties, respectively.

We also have two other business segments, namely, facilities management business and logistics services business. Our facilities management operations started in 2005 to provide services to our managed properties under our space optimisation business. Since then, we have expanded our

SUMMARY

operations to serve third party customers and offer new services such as security services, car park management services and property maintenance services (including cleaning, repair and general maintenance of properties).

As for our logistics services business, which we have expanded into in 2003, it primarily provides transportation services (including base oil and bitumen transportation, and chemical transportation), container depot management services, container depot services and other ancillary services.

The following table sets out the breakdown of our revenue by business operations for the periods indicated:

	For the year ended 30 September						For the nine months ended 30 June			
	2014		2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	<i>(unaudited)</i>									
Space optimisation business										
Industrial	40,484	44.6	45,864	47.6	52,040	49.7	40,048	50.9	32,712	41.0
Commercial	21,198	23.4	23,445	24.3	23,740	22.7	17,728	22.5	17,514	22.0
Residential	8,880	9.8	2,644	2.8	884	0.8	609	0.8	1,104	1.3
	70,562	77.8	71,953	74.7	76,664	73.2	58,385	74.2	51,330	64.3
Facilities management business	8,478	9.3	9,748	10.1	12,459	11.9	9,022	11.4	12,488	15.7
Logistics services business	11,700	12.9	14,673	15.2	15,582	14.9	11,317	14.4	15,949	20.0
Total	90,740	100.0	96,374	100.0	104,705	100.0	78,724	100.0	79,767	100.0

The following table sets out the breakdown of our revenue by geographical regions of the periods indicated:

	For the year ended 30 September						For the nine months ended 30 June			
	2014		2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	<i>(unaudited)</i>									
Singapore	90,678	99.9	95,819	99.4	102,861	98.2	77,532	98.5	76,968	96.5
Indonesia	62	0.1	490	0.5	1,101	1.1	779	1.0	1,090	1.4
Thailand	—	0.0	65	0.1	508	0.5	337	0.4	1,073	1.3
Myanmar	—	0.0	—	0.0	235	0.2	76	0.1	633	0.8
Other countries	—	0.0	—	0.0	—	0.0	—	0.0	3	0.0
	90,740	100.0	96,374	100.0	104,705	100.0	78,724	100.0	79,767	100.0

SUMMARY

Our Space Optimisation Business

Our space optimisation business is our principal business segment during the Track Record Period. We have categorised all our leasing, sub-leasing and management of properties under our space optimisation business. “Space optimisation” involves re-designing and planning the property in order to increase its NLA and minimise the amount of “dead” or unusable space, thus increasing the potential rental yield per sq.ft. and accordingly, the potential rental yield of the property. In order to ensure the property will follow the optimisation plan, we will execute the necessary renovation and refurbishment work. The renovation and refurbishment work will also enhance the aesthetic appeal and potentially increase the overall value of the property. We also provide asset management services to property owners by assisting the property owners to design and optimise their property for leasing, and to provide lease management services, which we generate a fixed management fee based on a percentage of rental revenue generated from the property. See “Business — Our Business Processes — A. Space Optimisation Business — Illustration of Space Optimised Properties” in this prospectus for illustration of our optimisation works.

For our space optimisation business, we manage a total of 19 industrial properties in Singapore as at the Latest Practicable Date which we lease or own for leasing to our tenants comprising industrial buildings, factories, warehouses and land for open storage. We also manage two of the industrial properties owned by our joint ventures through asset management arrangement. On these properties, we offer a wide selection of units and services, including traditional leasing of warehouses and industrial spaces, Work+Store spaces and valet services, and PickJunction spaces and services. See “Business — Our Business — Our Space Optimisation Business — Our Industrial Properties” in this prospectus for details.

As for our commercial properties, we manage a total of 12 properties which we lease or own for leasing to our tenants as at the Latest Practicable Date, comprising traditional offices, GreenHub suited office spaces and other commercial spaces such as recreational spaces, sports facilities and children enrichment spaces. Majority of our commercial properties are located in Singapore and we also manage two properties in Jakarta, Indonesia. We also manage one commercial and one mixed commercial-residential property under the asset management arrangement in Singapore. See “Business — Our Business — Our Space Optimisation Business — Our Commercial Properties” in this prospectus for details.

For our residential properties, we manage two properties as at the Latest Practicable Date, of which, one is our 85SOHO serviced residence in Myanmar, and one is our Keramat property in Singapore. We also manage one mixed commercial-residential property under asset management arrangement in Singapore. See “Business — Our Business — Our Space Optimisation Business — Our Residential Properties” in this prospectus for details.

We are also continuously looking for new properties and opportunities to grow and expand our space optimisation business in the countries and regions that we currently have presence in and into other countries and regions with particular focus in the Asian countries and regions, including

SUMMARY

the PRC and Cambodia. See “Business — Our Business Strategies — Expand our business operations into other countries and regions with particular focus in Asian countries and regions” in this prospectus for more information.

Our Facilities Management Business

We currently offer three main areas of services, namely, comprehensive cleaning and related services, car park management services and security services under our facilities management business. During the Track Record Period, we operated the majority of our facilities management business in Singapore. See “Business — Our Business — Facilities Management Business” for details.

Our Logistics Services Business

For our logistics services, we provide transportation services in Singapore, container depot management service in Singapore and container depot service in Laem Chabang, Thailand. In September 2017, we have signed a lease agreement in Thailand for the property to operate our second container depot service in the vicinity of Bangkok, Thailand and the lease term is yet to commence as at the Latest Practicable Date. See “Business — Our Business — Logistics Services Business” in this prospectus for details. In addition to expanding our container depot services in Thailand, we also plan to open an ISO tank depot. On 29 November 2017, we received a binding offer of an option to purchase the property from the vendor. The acquisition is subject to, among others, the approval from JTC. A deposit of S\$230,000 has also been paid to the vendor, which is refundable if JTC’s approval is not obtained. See “Business — Our Business Strategies — Summary of Our Business Strategies by Business Segment and Associated Investment Costs” in this prospectus for more information.

Furthermore, on 29 September 2017, we have signed a non-legally binding letter of intent setting out the preliminary terms and conditions to establish a joint venture with a company that is part of a global shipping group to offer container depot services in Singapore. On 4 December 2017, HLA Logistics was incorporated for this collaboration, which, as of the Latest Practicable Date, had not commenced any business operations. See “History and Corporate Structure — Joint Ventures” and “Business — Our Business Strategies — Continue to expand our current business operations in Singapore, Indonesia, Thailand, Myanmar and Hong Kong — Logistics Services Business” in the prospectus for more information.

OUR BUSINESS PROCESSES AND PRICING

We have three business segments, namely, the space optimisation business, the facilities management business, and the logistics management business. Each of the business processes of these segments are different from one another and the pricing of our properties and services varies. See “Business — Our Business Processes” in this prospectus for details of our business processes.

SUMMARY

OUR TENANTS AND OUR CUSTOMERS

Our customers mainly comprise our tenants and customers under our space optimisation business, which comprise a wide spectrum of multinational corporations, SMEs, start-ups, as well as individuals. Customers of our logistics services business include oil majors, major shipping lines, container leasing companies and container depot operator. As for customers of our facilities management business, they include management corporations of residential estates, shopping centre, industrial building owners, schools, factories, companies and individuals.

During the Track Record Period, our top five customers (including tenants) include corporations and schools who are our tenants under space optimisation business, and container leasing companies who are customers in our logistics services segment. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, revenue generated from our top five customers amounted to S\$11.3 million, S\$10.7 million, S\$11.8 million and S\$8.8 million, respectively, representing 12.5%, 11.1%, 11.2% and 11.1% of our revenue for the same periods, respectively. Revenue generated from our largest customer amounted to S\$3.4 million, S\$3.8 million, S\$4.7 million and S\$2.2 million, respectively, representing 3.8%, 3.9%, 4.5% and 2.8% of our revenue for the same periods, respectively.

Based on the best information, knowledge and belief of our Directors, after making due enquiry, none of our Directors or their close associates or Shareholders who owned more than 5% of our issued share capital had any interest in any of our five largest customers during the Track Record Period, and the five largest customers during the Track Record Period are Independent Third Parties.

As for the credit terms granted to our tenants and customers, for our tenants and customers under our space optimisation business, we generally do not grant any credit term as they are required to pay the rental or service charges on the first day of every month in advance. As for our other customers, credit term of up to 60 days is typically granted.

See “Business — Our Tenants and Our Customers” in this prospectus for details.

OUR LANDLORDS AND OUR SUPPLIERS

Our suppliers primarily comprise our landlords of our leased properties, suppliers of our logistics vehicles, service providers for property management services, old vehicle scrapping services and vehicle maintenance, and contractors providing design and construction services in Singapore.

For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, total purchases from our top five suppliers (including landlords), who are our landlords or landlord’s managing agent amounted to S\$38.2 million, S\$39.6 million, S\$41.9 million and S\$31.1 million, respectively, representing 66.4%, 61.7%, 62.2% and 58.8% of our cost of sales for the same periods, respectively. Total purchases from our largest supplier amounted to S\$15.9 million, S\$16.0 million, S\$15.3 million and S\$12.6 million, respectively, representing 27.6%, 24.9%, 22.7% and 23.8% of our cost of sales for the same periods, respectively.

SUMMARY

We obtain most of our properties through master leases, under which we are required to pay the rental to the landlord on the first day of every month in advance. For our other suppliers, such suppliers typically grant a credit term of 30 to 90 days.

See “Business — Our Landlords and Our Suppliers” in this prospectus for details.

BUSINESS ACTIVITIES IN SANCTIONED JURISDICTIONS

During the Track Record Period, we managed a residential property in Myanmar. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, our revenue generated from Myanmar amounted to nil, nil, S\$0.2 million and S\$0.6 million, respectively, representing nil, nil, 0.2%, 0.8% of our total revenue during the same periods, respectively. The Relevant Jurisdictions have (or had) certain form of sanctions against Myanmar. The Relevant Jurisdictions have imposed broad economic sanctions against certain countries, including Myanmar, and on individuals and legal entities.

Our Sanctions Law Legal Advisers have conducted review of our transactions with Myanmar and concluded that sanction programs of the Relevant Jurisdictions that exist against Myanmar do not apply extra-territorially to encompass us as a company incorporated in Singapore. Furthermore, the Myanmar sanctions imposed by the Relevant Jurisdictions are being phased out and in some cases, have been deleted in entirety. See “Business — International Sanctions on Sales to and Dealings with Myanmar” and also “Risk Factors — Risks Relating to Our Business — Our business, financial condition and results of operations could become materially and adversely affected by sanctions on Myanmar from Australia, the EU, the UN or the U.S.” in this prospectus for more information.

OUR COMPETITIVE STRENGTHS

Our competitive strengths include:

- we have a long history in the space optimisation business and have market reputation for offering quality properties for rent;
- our space optimisation business and facilities management business are integrated and complement one another to maximise our returns;
- we have a comprehensive services mix to cater to different needs of our tenants and our customers; and
- we have an experienced and stable management team with extensive industry knowledge.

See also “Business — Our Competitive Strengths” in this prospectus for details.

SUMMARY

OUR BUSINESS STRATEGIES

We plan to expand our space optimisation business, facilities management business and logistics services business in Singapore, and in other countries and regions in Asia. To achieve our objective, we intend to implement the following strategies:

- continue to expand our current business operations in Singapore, Indonesia, Thailand, Myanmar and Hong Kong;
- expand our service offerings by leveraging on our experience;
- expand our business operations into other countries and regions with particular focus in Asian countries and regions; and
- increase the use and implementation of our information technology systems to increase our efficiency and minimise our labour investment.

See also “Business — Our Business Strategies” in this prospectus for details.

OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, 76.2945% of our Shares are held by Fragrance Ltd., which in turn is wholly-owned by HN Group. HN Group is owned as to 85% by HN Capital. The entire issued share capital of HN Capital is held by LHN Capital as trustee of The LHN Capital Trust, and the entire issued share capital of LHN Capital is held by Trident Trust Company (B.V.I.) Limited as trustee of The Land Banking Trust. The protectors of The LHN Capital Trust and The Land Banking Trust are Mr. Kelvin Lim, Ms. Jess Lim and Ms. Lim Bee Li, the sister of Mr. Kelvin Lim and Ms. Jess Lim. Ms. Lim Bee Li is a practising advocate and solicitor in Singapore. Ms. Lim Bee Li has no involvement in the business operations of our Group and merely monitors the administration of The Land Banking Trust and The LHN Capital Trust in her capacity of protectors together with Mr. Kelvin Lim and Ms. Jess Lim. See “Relationship with our Controlling Shareholders — Controlling Shareholders” in this prospectus for more details.

SHARE CAPITAL AND TREASURY SHARES

As at the Latest Practicable Date, we had 360,445,400 Shares in issue, which are listed on the Catalist board of SGX-ST.

As at 30 September 2014, 2015 and 2016, and 30 June 2017, we had nil, nil, 1,853,000 and 1,411,800 treasury Shares, respectively. On 30 November 2017, 1,411,800 Shares held by our Company as treasury Shares were cancelled pursuant to Section 76K of the Singapore Companies Act. After such cancellation and as at the Latest Practicable Date, our Company does not have any treasury Shares and will not have any treasury Shares upon the Listing.

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SUMMARY OF OUR HISTORICAL FINANCIAL INFORMATION

The following tables set out our summary historical financial information as at and for the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017. We have derived this summary from our historical financial information set out in the Accountant’s Report. You should read this summary together with the historical financial information as set out in the Accountant’s report, including the related notes, as well as the information set out in “Financial Information” in this prospectus.

Summary of Consolidated Statements of Profit or Loss and Total Comprehensive Income

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
				<i>(Unaudited)</i>	
Revenue	90,740	96,374	104,705	78,724	79,767
Gross profit	25,031	23,448	27,497	20,980	19,211
Administrative expenses	(17,236)	(19,337)	(20,351)	(14,366)	(19,403)
Finance cost — net	(708)	(446)	(600)	(455)	(457)
Profit before income tax	14,004	4,268	16,228	6,721	1,675
Profit for the year/period	12,704	4,054	15,101	5,912	1,334
Profit attributable to equity holders of our Company	12,756	4,223	15,094	5,876	1,038
Total comprehensive income for the year/period	14,402	4,018	16,131	6,129	1,562

For the year ended 30 September 2016 and the nine months ended 30 June 2017, share of results of associates and joint ventures contributed materially to our net profit. For the nine months ended 30 June 2017, our share of results of associates and joint ventures amounted to S\$3.4 million, which was primarily due to a non-recurring gain of approximately S\$3.8 million representing our proportionate share of the gain on bargain purchase arising from the acquisition of Four Star. For the year ended 30 September 2016, our share of results of associates and joint ventures amounted to S\$6.7 million, which is primarily due to our proportionate share of the non-recurring increase in the fair value of the investment property held by Work Plus Store (AMK) amounting to S\$6.9 million. See “Risk Factors — Risks Relating to Our Business — Our share of profit from our joint venture companies are principally non-recurring to date, and we may not be able to record similar amount of share of profit from our joint venture companies in the future” and

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“Financial Information — Description of Selected Items in Consolidated Statements of Profit or Loss and Total Comprehensive Income — Share of Results of Associates and Joint Ventures” in this prospectus for details.

Summary of Consolidated Statements of Financial Position

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
Current assets	31,522	48,005	49,133	65,960
Current liabilities	27,317	30,767	30,920	33,375
Net current assets	4,205	17,238	18,213	32,585
Non-current assets	40,895	58,647	72,429	56,918
Non-current liabilities	12,504	20,578	21,213	20,046

Summary of Consolidated Statements of Cash Flows

	For the year ended 30 September			For the nine months	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Net cash generated from					
operating activities	11,195	7,650	13,382	5,448	4,136
Net cash used in investing activities	(2,408)	(20,558)	(15,280)	(5,590)	(6,290)
Net cash (used)/generated from					
financing activities	(7,698)	23,148	(2,842)	(3,093)	(1,937)

Key Financial Ratios

The following table sets out our key financial ratios during the Track Record Period:

	As at/for the year ended 30 September			As at/for the
	2014	2015	2016	nine months
	2014	2015	2016	ended
Current ratio	1.2	1.6	1.6	30 June 2017
Quick ratio	1.1	1.6	1.6	2.0
Gearing ratio (%)	43.8	42.1	34.2	36.0
Debt to equity ratio (%)	Net cash	Net cash	Net cash	5.2
Return on equity (%)	48.1	9.2	24.2	N/A
Return on total assets (%)	18.1	4.5	13.2	N/A
Interest coverage ratio	20.8	10.6	28.0	4.7

SUMMARY

See “Financial Information — Key Financial Ratios” in this prospectus for details of the equation.

PROPERTY VALUATION

The valuation report as at 30 September 2017 relating to our property interests held by us is set out in Appendix III to this prospectus. The market value of our property interests in Singapore and in Indonesia as at 30 September 2017 totalled S\$40.0 million and Rp 65.8 billion (equivalent to approximately S\$6.6 million), respectively. Please refer to the property valuation report in Appendix III to this prospectus for more details.

In particular, as of the Latest Practicable Date, we have not obtained the legal title of one of our properties which is located in Indonesia. Please see “Business — Properties — Investment Properties — Our Legal Title of our Kota Kasablanka Property” in this prospectus for details. Please also see “Risk Factors — Risks Relating to Our Business — The appraisal value of our investment properties in Singapore and Indonesia may be different from their actual realisable value and are subject to uncertainty or change.” for risks associated with the actual realisable value of this property, and the property valuation report in Appendix III to this prospectus for the key assumptions for the direct comparison approach when carrying out the valuation for this property.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Latest Business Expansions

In order to carry out our business expansions to continue to grow our business, we have carried out the following since 1 July 2017 and up to the Latest Practicable Date:

- (i) ***Space Optimisation Business — PRC:*** We are in discussion for a possible asset management agreement to manage a commercial property in Xiamen, Fujian Province, the PRC. As at the Latest Practicable Date, we have not entered into any memorandum of understanding or agreement for this asset management arrangement. See Business — Our Business Strategies — Expand our business operations into other countries and regions with particular focus in Asian countries and regions” in this prospectus for more information.
- (ii) ***Space Optimisation Business — Myanmar:*** We are currently in discussion with a landlord for a potential asset management arrangement for a residential building consisting of 88 units of one bedroom apartments located approximately five minutes’ drive from downtown Yangon and close by Shangri-La Serviced Apartment and Residences in Yangon. As we are still in negotiation with the landlord, there is no certainty whether this transaction will proceed or at all. If this transaction will proceed, the property will be operated as 85SOHO serviced residences and will be funded by our internal resource and bank borrowings;

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- (iii) **Facilities Services — Car Park Management in Singapore and Hong Kong:** We have obtained licenses for 12 car parks in Singapore and leased one car park in Hong Kong;
- (iv) **Logistics Services — ISO Tank Depot in Singapore:** On 3 October 2017, we signed a non-legally binding letter of intent setting out our proposed terms and conditions of the acquisition of a property in Singapore to operate our ISO tank depot. On 29 November 2017, we received a binding offer of an option to purchase the property from the vendor. The acquisition is subject to, among others, the approval from JTC. A deposit of S\$230,000 has also been paid to the vendor, which is refundable if JTC's approval is not obtained. See “Business — Our Business Strategies — Summary of Our Business Strategies by Business Segment and Associated Investment Costs” in this prospectus for more information;
- (v) **Logistics Services — Container Depot in Singapore:** On 29 September 2017, we signed a non-legally binding letter of intent setting out the preliminary terms and conditions to establish a joint venture with a company that is part of a global shipping group to offer container depot services in Singapore. On 4 December 2017, HLA Logistics was incorporated for this collaboration, which, as of the Latest Practicable Date, had not commenced any business operations. See “History and Corporate Structure — Joint Ventures” and “Business — Our Business Strategies — Continue to expand our current business operations in Singapore, Indonesia, Thailand, Myanmar and Hong Kong — Logistics Services Business” in the prospectus for more information; and
- (vi) **Logistics Services — Container Depot in Thailand:** On 27 September 2017, we have signed a lease agreement in Thailand for a property to operate our second container depot in the vicinity of Bangkok, Thailand and the lease term is yet to commence as at the Latest Practicable Date. See “Business — Our Business Strategies — Summary of Our Business Strategies by Business Segment and Associated Investment Costs” in this prospectus for more information.

Our Financials for the year ended 30 September 2017

The unaudited preliminary financial information for the year ended 30 September 2017 have been agreed with the reporting accountant, PricewaterhouseCoopers, following their review under Practice Note 730 “Guidance for Auditors Regarding Preliminary Announcements of Annual Results” issued by the Hong Kong Institute of Certified Public Accountants. Our unaudited preliminary financial information for the year ended 30 September 2017 is set out in Appendix IA to this prospectus and is subject to change.

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Based on the unaudited financial information, our revenue for the year ended 30 September 2017 amounted to S\$106.3 million, representing an increase by S\$1.5 million, or 1.5%, from S\$104.7 million for the year ended 30 September 2016. However, our net profit decreased by S\$12.3 million, or 81.7%, from S\$15.1 million for the year ended 30 September 2016 to S\$2.8 million for the year ended 30 September 2017 primarily due to:

- (i) the listing expenses for the Listing of S\$3.0 million;
- (ii) decrease in share of results of associates and joint ventures of S\$3.3 million as a result of a decrease in fair value gains recorded as compared to the previous year;
- (iii) decrease in other income primarily from government grants of S\$0.2 million;
- (iv) impairment loss on non-current asset classified as held for sale of S\$0.5 million; and
- (v) decrease in fair value on investment properties of S\$3.5 million.

Item (i) above was an one-off expense related to the Dual Listing and not expected to recur in the future. Items (ii), (iv) and (v) above were primarily due to changes in the valuation of properties held by our Group and our joint ventures and the general property market conditions in the relevant jurisdictions. Please see “Risk Factors — Risks Relating to Our Business — We are subject to fluctuations of the fair value of our investment properties and investment properties held by our joint ventures, and we may be unable to record gains and may record significant losses in the future.” in this prospectus for details.

You should read the discussion above in conjunction with our unaudited preliminary financial information for the year ended 30 September 2017 and the accompanying notes, as well as “Management Discussion and Analysis of Financial Condition and Operation Results” in Appendix IA to this prospectus.

No Material Adverse Change

Our Directors confirmed that, up to the date of this prospectus, except as disclosed in this section headed “Recent Development and No Material Adverse Change”, there had been no material adverse change in the financial or trading positions or prospects of our Group since 30 June 2017 (being the latest audited historical financial information of our Group as set out in the Accountant’s Report); and there had been no event since 30 June 2017 which would materially affect the information shown in the Accountant’s Report.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission, SFC transaction levy and Hong Kong Stock Exchange trading fee incurred in connection with the Global Offering and the Listing. Assuming an Offer Price of HK\$2.13 per Offer Share (being the mid-point of the indicative Offer Price range), our total listing expenses are estimated to be approximately S\$5.9 million, of which S\$1.4 million is directly attributable to the issue of new Shares and to be

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accounted for as a deduction from the equity, and the remaining amount of S\$4.5 million has been or will be recognised in our consolidated statements of profit or loss and comprehensive income. Listing expenses of S\$2.9 million, in relation to services already performed by relevant parties, were reflected in our consolidated statement of profit or loss and comprehensive income for the nine months ended 30 June 2017, and an addition of S\$1.6 million is expected to be recognised subsequent to the Track Record Period and upon Listing. As such, our results of operations for the year ending 30 September 2017 is expected to be adversely affected by the listing expenses incurred in the period.

GLOBAL OFFERING STATISTICS

	<u>Based on an Offer Price of HK\$1.90 per Share</u>	<u>Based on an Offer Price of HK\$2.36 per Share</u>
Market capitalisation of our Shares ⁽¹⁾	HK\$764.6 million	HK\$949.8 million
Unaudited pro forma adjusted net tangible assets per Share ^{(2), (3)}	HK\$1.147 ⁽⁴⁾	HK\$1.193 ⁽⁴⁾

Notes:

- (1) The market capitalisation of our Shares is calculated on the basis that 402,445,400 Shares were in issue and takes no account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme, or issued or repurchased by the Company pursuant to the general mandate. It is also assumed that the Shares traded on SGX-ST are trading at the Offer Price.
- (2) The unaudited pro forma net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 402,445,400 Shares were in issue (adjusted by 1,411,000 treasury Shares) assuming that the Global Offering had been completed on 30 June 2017 but takes no account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme, or issued or repurchased by the Company pursuant to the general mandate. On 30 November 2017, 1,411,800 treasury Shares have been cancelled.
- (3) No adjustment has been made to reflect any trading result or other transactions of our Group entered into subsequent to 30 June 2017.
- (4) For the purpose of this unaudited pro forma adjusted net tangible assets, the balances are converted into Hong Kong dollars from Singapore dollars at a rate of S\$1 to HK\$5.75. No representation is made that Singapore dollar amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

REASONS FOR THE LISTING

We have since 13 April 2015 been listed on the Catalist board of the SGX-ST. In addition, the Board is also of the view that the net proceeds of approximately HK\$55.6 million from the Global Offering after deducting the underwriting commissions and other estimated offering expenses payable by us, and assuming the initial Offer Price of HK\$2.13 per Share, being the mid-point of the indicative Offer Price range set forth on the cover page of this prospectus, the Listing and the Global Offering will provide us the necessary funding for our business expansions as disclosed in “Business — Our Business Strategies” in this prospectus. Furthermore, our Directors believe that the Listing on the Hong Kong Stock Exchange is beneficial for us for our business expansions and

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our long term goals, which is beneficial for our Company and our Shareholders as a whole notwithstanding the substantial expenses involved, including (i) strategic location of stock market in-line with our expansion plan; (ii) Hong Kong is an international finance centre; (iii) higher valuation in the Hong Kong market; (iv) different pool of investors; (v) better access to capital and future fund raising; (vi) ability to attract talents in Hong Kong and the PRC; and (vii) similar legal system, regulatory framework and international accounting standards as Singapore. See “History and Corporate Structure — Reasons for the Listing” in this prospectus for details.

USE OF PROCEEDS

We intend to use the net proceeds from the Global Offering for the purposes and in the amounts set out below:

- approximately 60.4%, or HK\$33.6 million, is expected to be used for the expansion of our space optimisation business by acquiring a new property in Singapore;
- approximately 23.9%, or HK\$13.3 million, is expected to be used for acquiring a property in Singapore to operate a parking yard for our logistics vehicles and ISO tank depot for storage of empty ISO tanks and ISO tanks filled with oil, oil-related products and chemicals, for our logistics services management business;
- approximately 4.0%, or HK\$2.2 million, is expected to be used to set out our first operation in the PRC, in particular, our co-work and co-living space;
- approximately 10.0%, or HK\$5.6 million, is expected to be used for general working capital purposes; and
- approximately 1.7%, or HK\$0.9 million, is expected to be used for acquiring transportation equipment for our logistics services business.

DIVIDENDS

For the years ended 30 September 2014, 2015 and 2016, our Group declared dividends to our Shareholders of S\$2.0 million, S\$1.1 million and S\$2.3 million, respectively, out of the distributable profit and all these dividends had been paid as at Latest Practicable Date. For the year ended 30 September 2017, our Board has proposed a final dividend of 0.2 Singapore cents per Share, which will be subject to the approval by Shareholders at the forthcoming annual general meeting of the Company. Our Shareholders are only entitled to receive dividends when declared by our Board, which will be subject to our constitution and approvals from our Shareholders, if required. Our Directors are of the view that the amount of any dividends to be declared in the future will depend on, among others, our Group’s results of operations, cash flows and financial conditions, operating and capital requirements, availability of dividends received from our subsidiaries, the amount of distributable profits based on the generally accepted accounting principles in Singapore, the applicable laws and regulations and all other relevant factors.

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Currently, Singapore does not impose withholding tax on dividends paid to resident or non-resident Shareholders. See also “Regulatory Overview — Overview of Singapore Tax Law and Regulations” for further details.

We do not have any pre-determined dividend payout ratio. Dividends for our Shares listed on the Hong Kong Stock Exchange will be paid in Hong Kong dollars, and dividends for our Shares listed on the SGX-ST will be paid in Singapore dollars.

RISK FACTORS

Our business is subject to numerous risks and there are uncertainties to an investment in our Shares. The risks and uncertainties can be categorised as (i) risks relating to our business; (ii) risks relating to our industries; (iii) risks relating to the Hong Kong listing; and (iv) risks relating to the statements made in this prospectus and from other sources.

The following highlights some of the key risks that affect our business:

- majority of our space optimised properties are obtained through master leases. If we are unable to renew or re-tender for the master leases, our business, financials and operations may be materially affected;
- we may be unable to renew our tenancy agreements with our tenants at commercially acceptable terms or at all;
- the application of IFRS on our operating lease commitments will materially affect the amounts of right-of-use assets, financial liability, property rental and related expenses, depreciation and interest expense;
- we may be unable to recover our renovation, refurbishment and maintenance costs for our properties;
- we are subject to fluctuations of the fair value of our investment properties and investment properties held by our joint ventures, and we may be unable to record gains and may record significant losses in the future;
- the appraisal value of our investment properties in Singapore and Indonesia may be different from their actual realisable value and are subject to uncertainty or change; and
- our business, financial condition and results of operations could become materially and adversely affected by sanctions on Myanmar by Australia, the EU, the UN or the U.S.

See “Risk Factors” in this prospectus for more information.

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IMPACT OF THE ADOPTION OF IFRS 16

We plan to adopt IFRS 16 from the accounting year beginning 1 October 2019. We expect the implementation of IFRS 16 will require the recognition of our master leases in the form of right-of-use asset and lease liabilities, initially at discounted present value of the future operating lease commitments, which will have a material adverse impact to our consolidated statements of financial position. The expected impact on our consolidated statements of profit or loss will primarily be the recognition of depreciation for the right-of-use asset and interest expense on the lease liability instead of rental expenses which, on a lease-by-lease basis, will result in higher total expense being recognised in the initial years of the lease and even out throughout the remaining term of the lease. As such, for the financial year commencing on 1 October 2019, based on our management's analysis, there will be adverse impact on our consolidated statements of profit or loss. See "Financial Information — Impact of the Adoption of IFRS 16" in this prospectus for further details of the assumptions for the management's analysis and the impact on our consolidated statements of financial position, and of profit or loss, once IFRS 16 is adopted. See also "Risk Factors — Risks Relating to Our Business — The application of IFRS 16 on our operating lease commitments will materially affect the amounts of right-of-use asset, financial liability, property rental and related expenses, depreciation and interest expense" in this prospectus for details related to the risks involved when IFRS 16 is adopted".

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings.

“9 Plus Cafe”	9 Plus Cafe Pte. Ltd., a limited liability company incorporated in Singapore on 17 May 2012, which is owned as to 50% by Mr. Pang Joo Kok, the brother-in-law of Ms. Jess Lim, and 50% by Mr. Soh Jun Sheng, Barry, an Independent Third Party
“Accountant’s Report”	the accountant’s report for the years ended 30 September 2014, 2015 and 2016, and for the nine months ended 30 June 2017 from PricewaterhouseCoopers, which is set out in Appendix I to this prospectus
“ACRA”	the Accounting and Corporate Regulatory Authority of Singapore
“affiliate(s)”	with respect to any specific person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Application Form(s)”	WHITE application form(s), YELLOW application form(s) and GREEN application form(s), or where the context so requires, any one of them, to the Hong Kong Public Offering
“Audit Committee”	the audit committee of our Board
“Automobile Pre Delivery Base”	Automobile Pre Delivery Base Pte. Ltd., a limited liability company incorporated in Singapore on 27 June 2016 and a joint venture of our Group, which is held as to 50% by LHN Automobile, a wholly-owned subsidiary of our Company, and 50% by APDB Private Limited, an Independent Third Party
“BCA”	the Building & Construction Authority of Singapore
“BC Act”	the Building Control Act (Chapter 29) of Singapore
“BKPM”	the Indonesia Investment Coordinating Board of Indonesia (Badan Koordinasi Pananaman Modal)
“Board” or “Board of Directors”	the board of directors of our Company
“Business Day” or “business day”	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	the British Virgin Islands

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“Cafe@Phoenix”	Cafe @ Phoenix Pte. Ltd., a limited liability company incorporated in Singapore on 12 November 2008, which is owned as to 100% by Mr. Pang Joo Siang, the spouse of Ms. Jess Lim and the brother-in-law of Mr. Kelvin Lim
“CAGR”	compound annual growth rate
“Catalist Listing”	the listing of our Shares on the Catalist board of SGX-ST on 13 April 2015
“Catalist Listing Manual”	the provisions of section B of the listing manual of the SGX-ST as amended, supplemented or modified from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, or a CCASS Custodian Participant or a CCASS Investor Participant
“CDP”	The Central Depository (Pte) Limited
“CEC Holdings”	Chua Eng Chong Holdings Pte. Ltd., formerly known as Lyndon Investments Pte Ltd, a limited liability company incorporated in Singapore on 4 June 1981 and an indirect wholly-owned subsidiary of our Company
“chief executive”	has the meaning ascribed to it under the Listing Rules
“China” or “PRC”	the People’s Republic of China excluding for the purpose of this prospectus, Hong Kong, the Macau Special Administrative Region and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as the same may be amended, supplemented or otherwise modified from time to time

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“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as the same may be amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	LHN Limited (formerly known as LHN Pte. Ltd.) a company incorporated with limited liability on 10 July 2014 under the laws of Singapore, the shares of which are listed on the Catalist board of the SGX-ST (SGX symbol: 410)
“Constitution”	the constitution of our Company conditionally adopted on 25 September 2017 and as amended from time to time, a summary of which is set out in Appendix IV to this prospectus
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to the controlling shareholders of our Company, namely Mr. Kelvin Lim, Ms. Jess Lim, Ms. Lim Bee Li, Fragrance Ltd, HN Group and HN Capital
“CVPA”	the Control of Vectors and Pesticides Act (Chapter 59) of Singapore
“CWSH”	the Commissioner for Workplace Safety and Health
“Deed of Indemnity”	a deed of indemnity dated 6 December 2017 entered into by Mr. Kelvin Lim, Ms. Jess Lim, Ms. Lim Bee Li, Fragrance Ltd, HN Group and HN Capital as indemnifiers in favour of our Company (for itself and as trustee for its subsidiaries) in respect of, among other things, certain indemnities including taxation
“Deed of Non-Competition”	the deed of non-competition dated 6 December 2017 given by Mr. Kelvin Lim, Ms. Jess Lim, Ms. Lim Bee Li, Fragrance Ltd, HN Group and HN Capital as covenantors in favour of our Company (for itself and as trustee for its subsidiaries) in respect of certain non-compete undertakings
“Director(s)”	the directors of our Company
“DKK”	Danish krone, the lawful currency for the time being of Denmark

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“Dual Listing”	the dual primary listing of the Shares on the Main Board of the Hong Kong Stock Exchange and the Catalist board of the SGX-ST
“EPHA”	the Environmental Public Health Act (Chapter 95) of Singapore
“EPMA”	the Environmental Protection and Management Act (Chapter 94A) of Singapore
“EPM(CNCS)R”	the Environmental Protection and Management (Control of Noise at Construction Sites) Regulations of Singapore
“EPM(HS)R”	the Environmental Protection and Management (Hazardous Substances) Regulations of Singapore
“EU” or “European Union”	the European Union, a politico-economic union of 28 member states that are located primarily in Europe, including Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and United Kingdom
“Fortune Securities”	Fortune (HK) Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activities under the SFO
“Four Star”	Four Star Industries Pte Ltd, a limited liability company incorporated in Singapore on 31 March 1976 and a joint venture of our Group, which is held as to 50% by Singapore Handicrafts, a wholly-owned subsidiary of our Company, and 50% by W&S Star Pte. Ltd., an Independent Third Party
“Fragrance Ltd”	Fragrance Ltd, a limited liability company incorporated in BVI on 19 July 2017, a Controlling Shareholder of our Company which is wholly-owned by HN Group, which is also a Controlling Shareholder
“Frost & Sullivan”	Frost & Sullivan International Limited, a global market research and consulting company, which is an Independent Third Party
“Frost & Sullivan Report”	an independent market research report dated 15 December 2017, which was commissioned by our Company and prepared by Frost & Sullivan for the purpose of this prospectus
“FSA”	the Fire Safety Act (Chapter 109A) of Singapore

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“FS(PFM)R”	the Fire Safety (Petroleum and Flammable Materials) Regulations of Singapore
“GDP”	gross domestic product
“GH Suited Offices”	GreenHub Suited Offices Pte. Ltd. (formerly known as GreenHub Serviced Offices Pte. Ltd.) a limited liability company incorporated in Singapore on 28 October 2004 and an indirect wholly-owned subsidiary of our Company
“GH Ventures”	GreenHub Ventures Pte. Ltd., a limited liability company incorporated in Singapore on 21 March 2016 and an indirect wholly-owned subsidiary of our Company
“GH Yangon”	Greenhub Serviced Offices Yangon Limited, a limited liability company incorporated in Myanmar on 23 April 2013 and an indirect wholly-owned subsidiary of our Company
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Greater China”	the region comprising of the PRC, Hong Kong and Macau
“GREEN Application Form(s)”	the application form(s) to be completed by HK eIPO White Form Service Provider
“Group”, “our Group”, “we” or “us”	our Company and its subsidiaries
“HDB”	the Housing Development Board of Singapore
“ HK eIPO White Form ”	the application of Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website at <u>www.hkeipo.hk</u>
“ HK eIPO White Form Service Provider ”	the HK eIPO White Form service provider designated by our Company, as specified on the designated website at <u>www.hkeipo.hk</u>
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HK\$”, “Hong Kong dollar(s)”, “HKD” or “cents”	Hong Kong dollars and cents respectively, the lawful currency for the time being of Hong Kong

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“HLA Container Services” or “HLA”	HLA Container Services Pte. Ltd., a limited liability company incorporated in Singapore on 22 March 2013 and an indirect non wholly-owned subsidiary of our Company which is held as to 60% by LHN Group, a wholly-owned subsidiary of our Company, and 40% by Mr. Hew Chee Fatt, a director and shareholder of HLA Holdings, HLA Container Services, HLA Holdings (Thailand) and HLA Container Services (Thailand)
“HLA Container Services (Thailand)”	HLA Container Services (Thailand) Limited, a limited liability company incorporated in Thailand on 23 December 2014 and an indirect non wholly-owned subsidiary of our Company which is held as to 51% by HLA Holdings (Thailand), a non wholly-owned subsidiary of our Company, 48% by HLA Container Services, a non wholly-owned subsidiary of our Company, and 1% by Mr. Hew Chee Fatt, a director and shareholder of HLA Holdings, HLA Container Services, HLA Holdings (Thailand) and HLA Container Services (Thailand)
“HLA Holdings”	HLA Holdings Pte. Ltd. (formerly known as Edulink Haven Pte. Ltd.), a limited liability company incorporated in Singapore on 26 November 2008 and an indirect non wholly-owned subsidiary of our Company which is held as to 60% by LHN Group, a wholly-owned subsidiary of our Company, and 40% by Mr. Hew Chee Fatt, a director and shareholder of HLA Holdings, HLA Container Services, HLA Holdings (Thailand) and HLA Container Services (Thailand)
“HLA Holdings (Thailand)”	HLA Holdings (Thailand) Limited, a limited liability company incorporated in Thailand on 22 December 2014 and an indirect non wholly-owned subsidiary of our Company which is held as to 48% by HLA Container Services, a non wholly-owned subsidiary of our Company, 26% by Ms. Somsri Puyatho, an employee of HLA Holdings (Thailand), 25% by Ms. Praijit Puyatho, a sibling of Ms. Somsri Puyatho, and 1% by Mr. Hew Chee Fatt, a director and shareholder of HLA Holdings, HLA Container Services, HLA Holdings (Thailand) and HLA Container Services (Thailand)
“HLA Logistics”	HLA Logistics Pte. Ltd., a limited liability company incorporated in Singapore on 4 December 2017 and an associate of our Group, which is held as to 51% by South East Asia Medlog Logistics Co. Pte. Ltd., an Independent Third Party, and 49% by HLA Container Services, a non wholly-owned subsidiary of our Company

DEFINITIONS

“HN Capital”	HN Capital Ltd, a limited liability company incorporated in BVI on 21 September 2012 which is wholly-owned by LHN Capital, the trustee of the LHN Capital Trust, and a Controlling Shareholder of our Company
“HN Corporation” or “HNC”	Hean Nerng Corporation Pte. Ltd., a limited liability company incorporated in Singapore on 2 January 2004 and an indirect wholly-owned subsidiary of our Company
“HN Facilities Management” or “HNFM”	Hean Nerng Facilities Management Pte. Ltd. (formerly known as Hean Nerng Warehousing Pte. Ltd.), a limited liability company incorporated in Singapore on 5 March 2004 and an indirect wholly-owned subsidiary of our Company
“HN Group”	Hean Nerng Group Pte. Ltd., a limited liability company incorporated in Singapore on 2 January 2004, a Controlling Shareholder of our Company which is held as to 85% by HN Capital, 10% by Ms. Jess Lim and 5% by Mr. Kelvin Lim, each of whom is a Controlling Shareholder
“HN Logistics” or “HNL”	Hean Nerng Logistics Pte. Ltd. (formerly known as LHN Logistics Pte Ltd), a limited liability company incorporated in Singapore on 18 June 1997 and an indirect wholly-owned subsidiary of our Company
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Branch Share Register”	the branch register of members maintained by our Hong Kong Shares Registrar for the Hong Kong Shares
“Hong Kong Offer Share(s)”	the 4,200,000 new Shares being made available by our Company for subscription pursuant to the Hong Kong Public Offering, subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus
“Hong Kong Public Offering”	the offer for subscription of the Hong Kong Offer Shares in Hong Kong at the Offer Price and on, and subject to, the terms and conditions of this prospectus and the Application Forms, as further described in the section headed “Structure of the Global Offering” in this prospectus
“Hong Kong Share Registrar”	Tricor Investor Services Limited
“Hong Kong Shares”	the Shares to be traded on the Main Board of the Hong Kong Stock Exchange

DEFINITIONS

“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the Hong Kong underwriting agreement dated 14 December 2017, relating to the Hong Kong Public Offering of our Company, entered into by, among others, our Company, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters
“IFRS”	the International Financial Reporting Standard(s)
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates
“Indonesia Environmental Regulations”	provisions of the Governor of DKI Jakarta Decree No. 2333 of Year 2002 and Minister of Environment Regulation No. 16 of Year 2012
“Indonesia Properties”	our Group’s GreenHub Suited Offices located at Kota Kasablanka and Plaza Marein in Indonesia
“Indonesia Subsidiaries”, each an “Indonesia Subsidiary”	PT HN Group and PT Hub Hijau
“Indonesian Rupiah(s)”, “IDR”, “Rp”	Indonesian Rupiah, the lawful currency of Indonesia
“Industrial & Commercial Facilities Management” or “ICFM”	Industrial & Commercial Facilities Management Pte. Ltd., formerly known as Integrated Building Facility Management Pte. Ltd., a limited liability company incorporated in Singapore on 15 May 2009 and an indirect wholly-owned subsidiary of our Company
“Industrial & Commercial Security” or “ICS”	Industrial & Commercial Security Pte. Ltd., a limited liability company incorporated in Singapore on 11 January 2005 and an indirect wholly-owned subsidiary of our Company
“International Offer Share(s)”	the 37,800,000 new Shares initially offered by our Company for subscription at the Offer Price under the International Offering (subject to reallocation as described in “Structure of the Global Offering” in this prospectus)

DEFINITIONS

“International Offering”	the conditional placing by the International Underwriters of the International Offer Shares for cash at the Offer Price plus brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005% of the Offer Price, details of which are described in the section headed “Structure of the Global Offering” in this prospectus, on and subject to the terms and conditions stated herein and in the International Underwriting Agreement
“International Underwriters”	the underwriters of the International Offering
“International Underwriting Agreement”	the conditional underwriting agreement relating to the International Offering and to be entered into by, among others, our Company, the Joint Bookrunners, the Joint Lead Managers and the International Underwriters, on or about the Price Determination Date
“Joint Bookrunners”, “Joint Lead Managers”	collectively, Pacific Foundation and Fortune Securities
“JTC”	the Jurong Town Corporation of Singapore
“KHR”	Cambodian Riel, the lawful currency for the time being of the Kingdom of Cambodia
“Latest Practicable Date”	6 December 2017, being the latest practicable date for the purpose of ascertaining certain information in this prospectus prior to its publication
“LHN Automobile”	LHN Automobile Pte. Ltd., a limited liability company incorporated in Singapore on 24 June 2016 and an indirect wholly-owned subsidiary of our Company
“LHN Capital”	LHN Capital Pte. Ltd., a limited liability company incorporated in Singapore on 21 September 2012 which is wholly-owned by Trident Trust Company (B.V.I.) Limited, the trustee of the Land Banking Trust
“LHN Facilities Management”	LHN Facilities Management Pte. Ltd. (formerly known as LHN Vehicle Logistics Pte. Ltd.) a limited liability company incorporated in Singapore on 21 August 2007 and an indirect wholly-owned subsidiary of our Company

DEFINITIONS

“LHN Group”	LHN Group Pte. Ltd., a limited liability company incorporated in Singapore on 4 March 2005 and a direct wholly-owned subsidiary of our Company
“LHN Group (China)”	LHN Group (China) Asset Management Pte. Ltd. (formerly known as 2in1 Space Pte. Ltd.), a limited liability company incorporated in Singapore on 12 April 2006 and an indirect wholly-owned subsidiary of our Company
“LHN Industrial Space”	LHN Industrial Space Pte. Ltd. (formerly known as LHN Residence (Central) Pte. Ltd.) a limited liability company incorporated in Singapore on 27 March 2008 and an indirect wholly-owned subsidiary of our Company
“LHN Malaysia”	LHN Group Sdn. Bhd., a limited liability company incorporated in Malaysia on 8 June 2015 and a direct wholly-owned subsidiary of our Company
“LHN Management Services”	LHN Management Services Pte. Ltd., a limited liability company incorporated in Singapore on 16 August 2007 and an indirect non wholly-owned subsidiary of our Company which is held as to 51% by LHN Group, a wholly-owned subsidiary of our Company and 49% by Master Care Services Pte. Ltd., a substantial shareholder of LHN Management Services, LHN Management Services is an insignificant subsidiary (as defined under Chapter 14A of the Listing Rules)
“LHN Parking”	LHN Parking Pte. Ltd. (formerly known as LHN Vehicle Parking Management Pte. Ltd.), a limited liability company incorporated in Singapore on 5 September 2007 and an indirect wholly-owned subsidiary of our Company
“LHN Parking (GMT)”	LHN Parking (GMT) Pte. Ltd., a limited liability company incorporated in Singapore on 24 June 2016 and an indirect wholly-owned subsidiary of our Company
“LHN Parking HK”	LHN Parking HK Limited, a limited liability company incorporated in Hong Kong on 26 January 2017 and an indirect wholly-owned subsidiary of our Company

DEFINITIONS

“LHN Performance Share Plan”	the LHN Performance Share Plan approved by the Shareholders and implemented on 10 March 2015, the principal terms of which are summarised under the section headed “Statutory and General Information — E. The LHN Performance Share Plan and Share Option Scheme — The LHN Performance Share Plan” in Appendix VI to this prospectus
“LHN Properties Investments”	LHN Properties Investments Pte. Ltd., a limited liability company incorporated in Singapore on 16 August 2007 and an indirect wholly-owned subsidiary of our Company
“LHN Residence”	LHN Residence Pte. Ltd. (formerly known as LHN Residence (Boon Lay) Pte. Ltd.) a limited liability company incorporated in Singapore on 10 March 2008 and an indirect wholly-owned subsidiary of our Company
“LHN Space Resources”	LHN Space Resources Pte. Ltd., a limited liability company incorporated in Singapore on 15 July 2009 and an indirect wholly-owned subsidiary of our Company
“LHN Xiamen”	福建自貿試驗區廈門片區LHN投資管理有限公司 (LHN Asset Management (Xiamen) Co. Limited*), a limited liability company established in the PRC on 30 November 2016 and an indirect wholly-owned subsidiary of our Company
“Listing”	the listing of our Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Committee”	the Listing Committee of the Hong Kong Stock Exchange
“Listing Date”	the date, expected to be on or about Friday, 29 December 2017, on which our Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange

DEFINITIONS

“Metropolitan Parking”	Metropolitan Parking Pte. Ltd., a limited liability company incorporated in Singapore on 27 June 2016 and a joint venture of our Group, which is held as to 50% by LHN Parking (GMT), a wholly-owned subsidiary of our Company, and 50% by GMTC Private Limited, an Independent Third Party
“MMK”, “K”, “Myanmar Kyat”	Myanmar Kyat, the lawful currency for the time being of Myanmar
“MOFCOM”	the Ministry of Commerce of the PRC
“MOM”	the Ministry of Manpower of Singapore
“MPFO”	the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong)
“MQ Furnishing”	MQ Furnishing Pte. Ltd., formerly known as Singapore Handicrafts (2012) Pte. Ltd., a limited liability company incorporated in Singapore on 12 July 2012 and an indirect wholly-owned subsidiary of our Company
“Mr. Danny Wong”	Mr. Wong Sze Peng, Danny (王志斌), a member of the senior management of our Group and a director of GH Suited Offices, GH Ventures, PT HN Group and PT Hub Hijau.
“Mr. Eddie Yong”	Mr. Yong Chee Hiong (楊志雄), an independent non-executive Director
“Mr. HN Lim”	Mr. Lim Hean Nerng, the father of Mr. Kelvin Lim and Ms. Jess Lim
“Mr. Kelvin Lim”	Mr. Lim Lung Tieng (also known as Lin Longtian) (林隆田), a Controlling Shareholder, an executive Director and the executive chairman of our Board
“Ms. Jess Lim”	Ms. Lim Bee Choo (also known as Lin Meizhu) (林美珠), a Controlling Shareholder and an executive Director
“MWO”	the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong)
“Myanmar”	the Republic of the Union of Myanmar
“MYR”, “RM”, “Malaysian ringgit(s)”	Malaysian ringgit, the lawful currency for the time being of Malaysia

DEFINITIONS

“NEA”	the National Environment Agency of Singapore
“New Share(s)”	new Share(s) offered by our Company for subscription under the Global Offering
“Nominating Committee”	the nominating committee of our Board
“Nopest Company”	Nopest Pte. Ltd., a limited liability company incorporated in Singapore on 25 August 2009 and an associate of our Group, which is held as to 50% by ICFM, a wholly-owned subsidiary of our Company, and 50% by Aardvark Consultancy Pte. Ltd., an Independent Third Party
“Offer Price”	the final offer price per Offer Share (excluding brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%), which will be not more than HK\$2.36 per Offer Share and is expected to be not less than HK\$1.90 per Offer Share, such price to be fixed at or before the Price Determination Date
“Offer Share(s)”	the 42,000,000 new Shares being offered by our Company for subscription at the Offer Price under the Global Offering
“Pacific Foundation”	Pacific Foundation Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO
“PickJunction Company”	PickJunction Pte. Ltd., a limited liability company incorporated in Singapore on 9 October 2013 and an indirect wholly-owned subsidiary of our Company
“PPA”	the Parking Places Act (Chapter 214) of Singapore
“PPR”	the Parking Places (Licensing and Control of Private Parking Places for Heavy Vehicles) Rules
“Price Determination Date”	the date, expected to be on or around Wednesday, 20 December 2017 and, in any event, not later than Wednesday, 27 December 2017, on which the Offer Price will be determined for the purpose of the Global Offering
“PrimePartners” or “PPCF”	PrimePartners Corporate Finance Pte. Ltd., the sponsor and issue manager of our Company in the Catalist Listing
“Property Valuation Report”	the property valuation report prepared by Jones Lang LaSalle Property Consultants Pte Ltd dated 15 December 2017, the text of which is set out in Appendix III to this prospectus
“PSIA”	the Private Security Industry Act (Chapter 250A) of Singapore

DEFINITIONS

“PT HN Group”	PT Hean Nerng Group, a limited liability company incorporated in Indonesia on 9 April 2013 and an indirect wholly-owned subsidiary of our Company
“PT Hub Hijau”	PT Hub Hijau Serviced Offices, a limited liability company incorporated in Indonesia on 20 May 2013 and an indirect wholly-owned subsidiary of our Company
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Jurisdiction(s)”	the U.S., the EU, the United Nations and Australia
“Remuneration Committee”	the remuneration committee of our Board
“SAFE”	the State Administration of Foreign Exchange of the PRC
“SAFE Circular 13”	the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (關於進一步簡化和改進直接投資外匯管理政策的通知)
“SAFE Regulations”	the Foreign Exchange Administrative Regulations of the PRC
“Sanctioned Jurisdictions”	jurisdictions that were subjected to sanctions by the Relevant Jurisdictions, namely, the U.S., the EU, the United Nations and Australia, from time to time
“Sanctioned Person(s)”	certain person(s) and entity(ies) listed on Office of Foreign Assets Control’s Specially Designated Nationals and Blocked Persons List or other restricted parties lists maintained by the EU, the United Nations or Australia
“Sanctions Law Legal Advisers”	our legal advisers as to the sanctions law of the Relevant Jurisdictions, being Morgan, Lewis & Bockius LLP and Moulis Legal
“SFC” or “Securities and Futures Commission”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“SGSO”	the Security and Guarding Services Ordinance (Chapter 460 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited

DEFINITIONS

“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 25 September 2017, the principal terms of which are summarised under the section headed “Statutory and General Information — E. The LHN Performance Share Plan and Share Option Scheme — The Share Option Scheme” in Appendix VI to this prospectus
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of our Company
“Singapore”	The Republic of Singapore
“Singapore Companies Act”	the Companies Act (Chapter 50) of Singapore, as the same may be amended, supplemented or otherwise modified from time to time
“Singapore Handicrafts”	Singapore Handicrafts Pte. Ltd., a limited liability company incorporated in Singapore on 28 November 1973 and an indirect wholly-owned subsidiary of our Company
“Singapore Principal Share Register”	the principal share register of members of our Company in Singapore maintained by Boardroom Corporate & Advisory Services Pte. Ltd.
“Singapore Principal Share Registrar”	Boardroom Corporate & Advisory Services Pte. Ltd, being the Singapore share registrar of our Company
“Singapore Securities and Futures Act”	the Securities and Futures Act (Chapter 289) of Singapore, as the same may be amended, supplemented or otherwise modified from time to time
“Singapore Takeovers Code”	the Singapore Code on Take-overs and Mergers, as amended, supplemented or otherwise modified from time to time
“SLA”	the Singapore Land Authority
“Sole Sponsor”	Fortune Financial Capital Limited, a licensed corporation under the SFO permitted to carry on Type 6 (advising on corporate finance) regulated activities for the purpose of SFO
“Soon Wing Investments”	Soon Wing Investments Pte. Ltd., a limited liability company incorporated in Singapore on 12 April 2006 and an indirect wholly-owned subsidiary of our Company
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$”, “Singapore dollar(s)” or “Singapore cents”	Singapore dollars and cents respectively, the lawful currency for the time being of Singapore

DEFINITIONS

“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC as may be amended, supplemented and/or otherwise modified from time to time
“Track Record Period”	the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“UN”	the United Nations
“URA”	the Urban Redevelopment Authority of Singapore
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollar(s)” or “US\$” or “USD”	United States dollars, the lawful currency for the time being of the United States
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder
“WeOffices”	WeOffices ApS, a limited liability company incorporated in Denmark on 5 July 2016, which is held as to 45.0% by M. VAD HOLDING ApS, which is wholly-owned by Mr. Malthe Lønstrup Vad, 17.5% by GH Suited Offices, 17.5% by Chua Chuan Leong Ventures Pte Ltd, which is indirectly owned as to 49% by AAA Asset Holdings Limited and 51% by Mr. Chua Geok Eng, 10.0% by Lodberg IVS, which is wholly-owned by Mr. Jesper Lodberg, and 10.0% by Bo Frausing Holding ApS, which is wholly-owned by Mr. Bo Frausing Christensen, all of whom (except GH Suited Offices) are Independent Third Parties
“WeOffices Investment Agreement”	the investment agreement dated 21 July 2017, entered into between M. VAD HOLDING ApS, Lodberg IVS, Bo Frausing Holding ApS, WeOffices and GH Suited Offices, relating to the subscription of shares in WeOffices by GH Suited Offices
“WeOffices Shareholders’ Agreement”	the shareholders’ agreement dated 21 July 2017, entered into between M. VAD HOLDING ApS, Lodberg IVS, Bo Frausing Holding ApS, Chua Chuan Leong Ventures Pte. Ltd., GH Suited Offices and WeOffices, which sets out the rights and obligations of the shareholders of WeOffices

DEFINITIONS

“WHITE Application Form(s)”	the application form(s) for use by the public who require(s) such Hong Kong Offer Shares to be issued in the applicant’s or applicants’ own name(s)
“WICA”	the Work Injury Compensation Act (Chapter 354) of Singapore
“Work Plus Store (AMK)”	Work Plus Store (AMK) Pte. Ltd. a limited liability company incorporated in Singapore on 23 October 2015 and a joint venture of our Group, which is held as to 50% by Work Plus Store Company, a wholly-owned subsidiary of our Company, and 50% by W&S Flexi Pte. Ltd., an Independent Third Party
“Work Plus Store (Kallang)”	Work Plus Store (Kallang) Pte. Ltd., a limited liability company incorporated in Singapore on 28 November 2017 and a joint venture of our Group, which is wholly-owned by Four Star, which is also a joint venture of our Group
“Work Plus Store Company”	Work Plus Store Pte. Ltd. (formerly known as Hean Nereng Land Lease Pte. Ltd.), a limited liability company incorporated in Singapore on 21 September 2004 and an indirect wholly-owned subsidiary of our Company
“WSHA”	the Workplace Safety and Health Act (Chapter 354A) of Singapore
“YCDC License”	a business license issued under Section 66(a), Yangon City Development Law (Yangon Region Hluttaw Law No. 6/2013) dated 8 October 2013
“YELLOW Application Form(s)”	the application form(s) for use by the public who require(s) such Hong Kong Offer Shares to be deposited directly into CCASS
“%”	per cent.

In this prospectus, unless the context otherwise requires, the terms “associate”, “close associate”, “connected person”, “core connected person”, “connected transaction”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

** Terms marked with “*” denote translation of company names into Chinese or English (as the case maybe), and are for identification purposes only. In the event of inconsistency, the names in their original languages prevail.*

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms and abbreviations used in this prospectus that are in connection with our Group and our business. The terms and their assigned meanings may not, however, correspond to standard industry meaning or usage of those terms.

“B1”	business 1, a zone classified by URA which is an area used or intended to be used mainly for clean industry, light industry, warehouse, public utilities, and telecommunication uses and other public installations for which the relevant authority does not impose a nuisance buffer greater than 50 metres. Certain general industrial uses that are able to meet the nuisance buffer requirements of not more than 50 metres imposed by the relevant authority may be allowed in the B1 zones, subject to evaluation by the relevant authority and the competent authority.
“B2”	business 2, a zone classified by URA which is an area used or intended to be used for clean industry, light industry, general industry, warehouse, public utilities and telecommunication uses and other public installations. Special industries such as manufacture of industrial machinery, shipbuilding and repairing may be allowed in selected areas subject to evaluation by the competent authority.
“CBD”	central business district
“equivalent parking lot(s)”	the common measure of car, motorcycle, lorry and bus parking lots at our car parks where, (i) one private car parking lot is equal to 1 equivalent parking lot, (ii) one motorcycle parking lot is equal to 0.2 equivalent parking lot, and (iii) one lorry or bus parking lot is equal to 1.5 equivalent parking lots
“GFA”	gross floor area
“ISO tank”	ISO tank is a tank container that is built to the standard of International Organisation for Standardisation, which is designed to transport hazardous and non-hazardous liquids in bulk
“managed properties”	properties we lease or own for leasing to our tenants
“MRT”	the Mass Rapid Transit in Singapore

GLOSSARY OF TECHNICAL TERMS

“NLA”	net leasable area
“REIT”	real estate investment trust
“SME”	small and medium-sized enterprise
“sq.ft.”	square foot or square feet
“sq.m.”	square meter(s)
“TEU”	twenty foot equivalent unit, a measurement of capacity in container transportation

FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “going forward”, “intend”, “may”, “ought to”, “plan”, “project”, “seek”, “should”, “will”, “would”, “wish” and similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our Company’s management with respect to future events, operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business operations and prospects;
- future developments, trends and conditions in the industry and markets in which we operate;
- our strategies, plans, objectives and goals and our ability to implement such strategies, plans, objectives and goals;
- our ability to continue to identify potential properties and transform such properties through space optimisation for our business and our ability to maintain or grow our properties portfolio;
- our ability to maintain or increase tenants for our properties, and to demand for rental at rates profitable to us;
- our ability to maintain or expand our facilities management business and our logistics services business;
- general economic conditions;
- our capital expenditure programs and future capital requirements;
- changes to regulatory and operating conditions in the industry and markets in which we operate;
- our ability to control costs;
- capital market developments;
- the actions and developments of our competitors; and
- all other risks and uncertainties described in “Risk Factors” in this prospectus.

RISK FACTORS

Potential investors should consider carefully all the information set out in this prospectus and, in particular, should evaluate the following risks associated with the investment in our Shares. Any of the risks and uncertainties described below could have a material adverse effect on our business, results of operations, financial condition or on the trading price of our Shares, and could cause you to lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

Majority of our space optimised properties are obtained through master leases. If we are unable to renew or re-tender for the master leases, our business, financials and operations may be materially affected.

We primarily obtain our properties for our space optimisation business (being properties that we lease or own for subletting) through master leases during the Track Record Period.

For our properties under the space optimisation business, as at 30 September 2014, 2015, 2016, and 30 June 2017, we had a total of 34, 40, 35 and 33 properties, of which, 32, 36, 31 and 29 properties were obtained through master leases with our landlords. Our master leases generally are for a term of three to 15 years, and usually with an option to renew. However, some of these leases may be terminated with a minimum of three or six months' notice, or upon notice of planned redevelopment work by our landlords and/or the relevant authorities during their respective term.

Towards the end of the lease term of the master leases, we will either consider whether to exercise the renewal option, if any, or to negotiate the renewal of the lease if there is no renewal option. We may also submit a new tender for the property if we have obtained the property through tender. During the Track Record Period, we were unable to renew or re-tender master leases to five properties of our managed properties due to implementation of redevelopment plan by the relevant government authority in Singapore, substantial increase in master lease rental rate, unsuccessful re-tender or other commercial considerations such as re-balancing our properties portfolio. As at the Latest Practicable Date, one of the master leases expiring on 31 December 2017 is still under the renewal negotiation process. There is no guarantee that we can renew any of the master leases or successfully re-tender any of our properties at commercially acceptable terms to us or at all. If we are unable to renew any of the master leases or successfully re-tender for any of our properties, it takes time and cost for us to identify new properties, obtain the properties and perform the optimisation work to launch in the market to replace the properties that we have returned to the landlord. Furthermore, it takes time to build up the tenancy for our new managed properties. During the Track Record Period, our revenue and gross profit margin have been affected by our inability to renew or re-tender some of our managed properties. See "Financial Information — Factors Affecting our Results of Operations — Gross Profit and Gross Profit Margin" and the description of the fluctuations of the revenue in "— Review of Historical Results of Operations" in this prospectus for the respective year or period during the Track Record Period for more information. In the event that any of our master leases are terminated prematurely or if we are unable to renew or re-tender for master leases upon the expiry, and we are unable to secure new leases of new

RISK FACTORS

properties on terms which are favourable to us, our normal business operations would be disrupted. These may cause us to suffer additional costs which can have a material and adverse effect on our business, results of operations, financial condition and prospects.

We may be unable to renew our tenancy agreements with our tenants at commercially acceptable terms or at all.

We leased our properties to our tenants pursuant to tenancy agreements, which typically have a fixed term of up to three years. Most of our tenancy agreements include a penalty clause whereby if the tenant terminates the tenancy agreement for any reason at any time prior to the expiry of the term, the tenant will need to pay us the aggregate total rent for the whole term less any total rent received by us plus the compensation payable during use of the fitting out period. As at the Latest Practicable Date, approximately 58.8% of our tenancy agreements will be expiring for the year ending 30 September 2018.

Furthermore, at least six months before the expiry of the leases with our tenants, we will negotiate with our tenants for the new terms for the lease renewal if they will stay on as our tenants. The new terms will be subject to the prevailing market conditions and movements in property prices in general. If there is a significant decline in rental demand or unfavourable changes in the market sentiment, we may have to reduce our rental prices in order to secure renewals of tenancy with our tenants. If our costs have increased and we cannot pass down the increased costs to our tenants, and/or we have to lower the rent that we will charge our tenants due to the prevailing market conditions, our profit margins may be adversely affected. During the Track Record Period, two of our managed properties that we obtained during the period did not breakeven primarily due to changes in market demand and condition beyond our control. See “Business — Our Business — Breakeven Point and Investment Payback Period” in this prospectus for more information. Since rental costs represented over 70.0% of our costs of sales during the Track Record Period, if we are unable to cover our rental costs for our managed properties that we have obtained through master leases under the space optimisation business, our business, financials and results of operations may be materially and adversely affected.

Furthermore, there is no guarantee that our tenants will continue to lease the properties from us or we can renew the leases at commercially acceptable terms to us. If our existing tenants cease to lease properties from us, we may be unable to secure new tenants or will incur additional costs such as marketing costs to secure new tenants in respect of those properties and our business, results of operations, financial condition and prospects may be adversely affected.

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The application of IFRS 16 on our operating lease commitments will materially affect the amounts of right-of-use asset, financial liability, property rental and related expenses, depreciation and interest expense.

As at the Latest Practicable Date, majority of our properties for which we operate our business on were obtained through leases, which the relevant leases were classified as operating leases. We also leased out investment properties to non-related parties under non-cancellable operating leases. Our current accounting policy for such leases is set out in note 2.23 to the Accountant's Report. As at 30 June 2017, our future minimum operating lease payables under non-cancellable leases where we are a lessee amounted to S\$149.4 million.

During the Track Record Period, our future operating lease commitments were not reflected in our consolidated statements of financial position. IFRS 16, which we expect to apply from the financial year beginning 1 October 2019, provides new provisions for the accounting treatment of leases. We expect the implementation of IFRS 16 will require the recognition of such leases in the form of right-of-use asset and lease liabilities, initially at discounted present value of the future operating lease commitments, which will have a material adverse impact to our consolidated statements of financial position. The expected impact on our consolidated statements of profit or loss will primarily be the recognition of depreciation for the right-of-use asset and interest expense on the lease liability instead of rental expenses which, on a lease-by-lease basis, will result in higher total expense being recognised in the initial years of the lease and even out throughout the remaining term of the lease. As a result, for the financial year commencing 1 October 2019, based on our management's analysis, our consolidated statements of profit or loss will be adversely affected. As such, our ability to distribute dividend could also be affected after the adoption of IFRS 16. See "Financial Information — Impact of the Adoption of IFRS 16" in this prospectus for further details of the assumptions for the management's analysis and the impact on our consolidated statements of financial position, and of profit or loss, once IFRS 16 is adopted.

We may be unable to recover our renovation, refurbishment and maintenance costs for our properties.

We typically undertake renovation and refurbishment works in respect of our properties for our space optimisation business before leasing them out. The type and the amount of time required for the renovation works depend on a number of factors, including whether the property is leased or owned, the condition, size, type and planned future use of the property, and for leased property, the term of the lease and the expected time of holding or leasing the property. Furthermore, physical asset enhancement works may include building and property fitting-out and landscaping work, additions and alterations, interior decoration and installation of air-conditioning units and lifts. This may result in us incurring substantial capital expenditure before any revenue can be generated from the leasing out of such properties. For the years ended 30 September 2014, 2015, 2016 and for the nine months ended 30 June 2017, the additions of our renovation works amounted to S\$3.0 million, S\$4.8 million, S\$1.9 million, S\$0.9 million, respectively. The depreciation of our renovation works is amortised based on the estimated useful life of the works. We may be required to accelerate the

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amortisation if the lease is terminated prior to its expiry, which will also affect our ability to recover such capital expenditure. See “Financial Information — Factors Affecting our Results of Operations — Renovation Costs” in this prospectus for further details.

We may also incur substantial costs periodically in maintaining and repairing some of our older properties, including to upgrade old equipment and mechanical installations that breakdown unexpectedly. If we are unable to manage the capital expenditure and costs involved in renovating, refurbishing and/or maintaining our properties, our profit margin and hence, our business, results of operations, financial condition and prospects may be adversely affected.

We may face potential claims from our landlords in the event that our tenants’ actions and omissions result in any breaches of the terms of our master leases. We may also be liable for our tenants’ non-compliance with governmental and regulatory requirements, and such losses are not covered by insurance.

The master leases which we enter into with our landlords typically include provisions governing the usage and maintenance of the leased premises. In addition, the master leases will also typically include indemnity provisions which require us to indemnify and keep indemnified our landlords from and against, for instance, all claims, proceedings liabilities (civil or criminal) and all losses, damages, cost and expenses which our landlords may suffer or incur in connection with, amongst others, damage to property arising from or out of any occurrences in the leased premises, or the use of the leased premises by the tenants or by any of the tenants’ licensees. In the event that any of our tenants’ actions or omissions cause damage to the leased premises which might result in a breach of the terms of our master leases, we could be liable for claims of damages and indemnity under the master leases and incur additional costs that will adversely affect our earnings and profit margin. Our business, results of operations, financial condition and prospects will thereby be materially and adversely affected.

In addition, our tenants’ use of the premises and the conduct of their business may be subject to governmental and regulatory requirements such as the requirement to obtain the requisite licences and approvals for the use of the premises or the conduct of their business. Any occurrence of such non-compliance with the relevant regulations by our tenants may result in, among other things, the imposition of fines on us and/or the termination of our master leases.

We do not have insurance coverage in respect of claims and/or liabilities arising from breaches of our master leases by us as a result of our tenants’ actions and omissions and non-compliance with the relevant regulations by our tenants. Although none of these incidents took place during the Track Record Period, there is no guarantee that these incidents will not take place. Any material uninsured loss could have a material and adverse effect on our business, results of operations, financial condition and prospects.

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We are subject to fluctuations of the fair value of our investment properties and investment properties held by our joint ventures, and we may be unable to record gains and may record significant losses in the future.

For our investment properties and investment properties held by our joint ventures, we are required to reassess the fair value of these properties at the end of each financial reporting period. The gains and losses arising from the changes in the fair value of these investment properties are recognised in our income statement for the period in which the changes of fair value occur and affect our profit for that period.

In relation to our investment properties, for the years ended 30 September 2014, 2015 and 2016, we recorded fair value gain on investment properties of S\$5.8 million, S\$0.6 million, S\$2.1 million, respectively. In relation to investment properties held by our joint ventures, for the year ended 30 September 2016, our proportionate share of fair value gain of one of these properties, as recorded as our share of results of associates and joint ventures in our consolidated statement of profit or loss, amounted to S\$6.9 million. There is no guarantee that the fair value of these investment properties will always increase. In particular, the significant increases in the fair value were primarily due to alteration and addition works performed at these investment properties, which increased the GFA and/or the NLA of the properties, and changes in the general property market conditions in the relevant jurisdictions. If we do not have any new investment property in that period or if the market conditions in the relevant jurisdictions are not in our favour, we may not record any fair value gain on investment properties held by us or our joint ventures. Any valuation of these investment properties which is lower than our previously appraised value will lead to fair value loss on investment properties. In fact, during the nine months ended 30 June 2017, we recorded fair value loss on investment properties of S\$1.4 million primarily due to a decrease in valuation of the property purchased by PT HN Group in Indonesia.

As such, changes to the appraised value of our investment properties or investment properties held by our joint ventures may materially and adversely affect our results of operations.

The appraisal value of our investment properties in Singapore and Indonesia may be different from their actual realisable value and are subject to uncertainty or change.

The Property Valuation Report set out in Appendix III to this prospectus with respect to the appraised value of our investment properties in Singapore and Indonesia are based on various assumptions, which are subjective and uncertain in nature. The assumptions that the property valuer used in the property valuation report include the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, joint venture, management agreement or other similar arrangement, which could serve to affect the values of the property interests. Furthermore, the property valuer also relied to an extent on the information given by us and have accepted advice given by us on such matters such as GFA, NLA, cost of construction of the additions and alterations works, existing leases and occupancy arrangements, projected revenues and expenses, specifications, formal planning approval and other relevant matters.

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Certain of the assumptions used by the property valuer in reaching the appraised value of our investment properties in Singapore and Indonesia may be inaccurate. Hence, the appraised value of our investment properties should not be taken as their actual realisable value or a forecast of their realisable value. Unexpected changes to our investment properties in Singapore and Indonesia and to the national and local economic conditions may affect the value of these properties. You should not place undue reliance on such appraised value attributable to these properties by the property valuer.

In relation to the property purchased by PT HN Group in Indonesia, namely, four units in Kota Kasablanka (the “**Units**”), the risk associated with obtaining the legal title may affect the actual realisable value of the Units. PT HN Group entered into four conditional sale and purchase agreements, including their addendums, (the “**PPJBs**”) on 1 July 2013 to purchase the Units constructed under phase 1 of the development from the developer of the property at Kota Kasablanka, Indonesia (the “**Developer**”). The legal title to the Units will only be transferred from the Developer to PT HN Group and registered with the relevant land office in Indonesia upon the execution of the Notarised Deeds of Sale and Purchase for the Units (the “**AJBs**”) by both parties, together with the delivery of the strata title certificates for the Units (the “**STCs**”) by the Developer to PT HN Group. The contractual due date of execution of the AJBs and delivery of the STCs is 15 May 2018 under the PPJBs.

We understand that the Developer has been informed by the Jakarta local government that the Developer can only apply for the STCs after the entire development of the property at Kota Kasablanka, Indonesia (comprising three phases) is completed, which is estimated to be in 2020. Therefore, the contractual due date of execution of the AJBs and delivery of the STCs under the PPJBs may be postponed to a date to be formally notified by the Developer to all its affected purchasers, including PT HN Group. As at the Latest Practicable Date, PT HN Group has not received such notification. Nevertheless, the Developer has given assurance to PT HN Group that they will endeavour to deliver the STCs by 15 May 2018. We have been advised by our Indonesia legal advisers, Dau & Tuah, that the potential postponement of the delivery of the STCs will not affect our contractual rights under the PPJBs to, amongst others, (i) physically possess the Units and conduct our business of leasing the Units; (ii) obtain a refund of the selling price of the Units if the Developer defaults; and (iii) assign or transfer our rights with respect to the Units under the PPJBs. Nevertheless, if PT HN Group is unable to obtain the legal title to the Units in accordance with the PPJBs due to the non-delivery of the STCs, or for any other reason such as insolvency of the Developer, the actual realisable value of the Units may be affected.

If in the unlikely event that when the STCs’ delivery deadline has passed and it becomes certain that the STCs cannot be delivered, the value of Kota Kasablanka will be appraised at the amount that the Developer is liable to refund to the Group pursuant to the termination clauses of the PPJBs (i.e. the full amount of consideration paid by PT HN Group of Rp50,807,250,000) as the rights to obtain the STCs under PPJBs may not subsist as at the STCs’ delivery deadline, and hence the difference in valuation would amount to Rp14,952,750,000 (equivalent to approximately S\$1.5 million), representing approximately 22.7% of the difference from the reported valuation of the

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market value of Rp65,760,000,000 as at 30 September 2017. This difference of Rp14,952,750,000 will be recorded as fair value loss when the property is valued in preparing the Group's financial statements for the relevant period.

Our share of profit from our joint venture companies are principally non-recurring to date, and we may not be able to record similar amount of share of profit from our joint venture companies in the future.

As at the Latest Practicable Date, we have three operating joint venture companies, namely, Work Plus Store (AMK), Four Star and Metropolitan Parking. For the years ended 30 September 2014, 2015, and 2016, and the nine months ended 30 June 2017, our share of results of associates and joint ventures amounted to S\$24,000, S\$26,000, S\$6.7 million and S\$3.4 million, respectively. We recorded substantial share of results of associates and joint ventures for the year ended 30 September 2016, which was mainly due to the fair value gain recorded on the investment property of Work Plus Store (AMK) amounting to S\$6.9 million. Such fair value gain was primarily due to Work Plus Store (AMK) being able to acquire 38 Ang Mo Kio at a price significantly below valuation at the time. See "Financial Information — Review of Historical Results of Operations — Year ended 30 September 2016 compared to year ended 30 September 2015 — Share of Results of Associates and Joint Ventures" in this prospectus for details. Furthermore, for the nine months ended 30 June 2017, we recorded a share of results of associates and joint ventures of S\$3.4 million as compared to a loss of S\$88,000 for the nine months ended 30 June 2016 primarily due to our proportionate share of gain on bargain purchase arising from the acquisition of Four Star of S\$3.8 million. These gains are non-recurring in nature and we may not be able to record similar share of profit from our joint venture companies in the future, which may materially and adversely affect our results of operations.

If the valuations of our joint venture companies' investment properties decrease, we may also record a loss as our share of results of associates and joint ventures. See also "— We are subject to fluctuations of the fair value of our investment properties and investment properties held by our joint ventures, we may be unable to record gains and may record significant losses in the future" in this section for more information. As such, any changes to the appraised value of our joint venture companies' investment properties may materially and adversely affect our results of operations.

Also, our investment in our associates and joint ventures are subject to liquidity risk as such investment is not as liquid as other investment products. Although we have recorded our share of results of associates and joint ventures under equity accounting, we have not generated any actual cash flow from our associates and joint ventures during the Track Record Period. Furthermore, we may not be able to sell the interests in our associates and joint ventures to realise the value recorded of these associates and joint ventures in our accounts or at all. We can only generate cash flow from our associates and joint ventures if they declare and pay dividends to us. If our associates and joint ventures do not declare and pay dividends to us, it may materially affect our liquidity and financial position.

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A significant reduction in or discontinuation of government subsidies or grants, or preferential tax treatment would have a material and adverse impact on our business.

During the Track Record Period, we have received certain government grants and preferential tax treatment by way of enhanced productivity and innovation credit deductions. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, we received government grants of S\$99,000, S\$0.4 million, S\$0.3 million and S\$0.2 million, respectively, and enhanced productivity and innovation credit deduction of S\$0.5 million, S\$0.6 million, S\$0.7 million and S\$0.4 million, respectively. In particular, these government grants and enhanced productivity and innovation credit deduction may be material relative to our net profit. For the year ended 30 September 2015, our net profit amounted to S\$4.1 million and if we did not receive the government grants of S\$0.4 million and enhanced productivity and innovation credit deduction of S\$0.6 million, our net profit may have been materially affected. As the government grants and enhanced productivity and innovation credit deduction are non-recurring in nature, there is no certainty as to whether we may continue to receive government grants or preferential tax treatment, or at all. As such, our net profit and financial position may be adversely affected.

We are exposed to credit risks from our tenants and customers.

We are exposed to credit risks arising from potential delays and defaults by our tenants and customers in paying us rentals and service fees. During the Track Record Period, for the years ended 30 September 2014, 2015 and 2016 and the nine months ended 30 June 2017, we recorded impairment loss on trade receivables of S\$110,000, S\$381,000, S\$309,000 and S\$29,000, respectively.

Under our space optimisation business, most of our tenants are required to pay the monthly rental of that month on the first day of every month in advance, and for tenants which are corporate entities, the ultimate owners of the tenants are generally required to provide personal guarantee on rental payment. A majority of our tenants have arranged General Interbank Recurring Order (GIRO) arrangement, under which their rental payment will be deducted from their bank account automatically, usually on the 1st or 7th day of every month, and be credited to our designated bank account. Since most of our tenants are SMEs, some of them may occasionally experience cash-flow issues and therefore affect their ability to pay rent on time. In the past, on a few occasions, our tenants did not pay the rent on time and were subsequently uncontactable. If any of our tenants delays or defaults in his or her rental payment, not only will our revenue, working capital and cashflow be lowered as a result, we will also be required to incur cost in maintenance and upkeep of the properties leased by them, and will suffer an increase in expense incurred to recover the defaulted rental payment and to repossess the property. For the years ended 30 September 2014, 2015 and 2016 and the nine months ended 30 June 2017, impairment loss on trade receivables under our space optimisation business contributed to 99.4%, 99.8%, 100.0% and 100.0% of the total impairment loss on trade receivables of our Group during the year or period, respectively. There is no assurance that our tenants will continue to make their rental payments or at all. As a result, if there are substantial delays and/or defaults in the rental payment by our tenants, our business, financial and results of operations may be adversely affected.

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Under our facilities management business and logistics services business, we typically grant credit terms to our customers of up to 60 days, which will expose us to payment delays and/or defaults by our customers as there is no assurance that our customers will be able to pay us on time or at all. We may therefore be unable to recover the costs incurred from providing services to our customers, notwithstanding that we have carried out the services required of us by our customers. Persistent payment delays and/or defaults by our customers may also necessitate our termination of their agreements for facilities management services or logistics services with us, and there is no assurance that we will be able to secure a replacement customer in a timely manner or at all. For the years ended 30 September 2014, 2015 and 2016 and the nine months ended 30 June 2017, impairment loss on trade receivables under our facilities management business and logistics services business, in aggregate, contributed to 0.6%, 0.2%, nil and nil of the total impairment loss on trade receivables of our Group during the year or period, respectively. If there are substantial delays and/or defaults in the service fee payment by our customers, our working capital and/or cash flows will be affected and may become inadequate. This may materially adversely affect our business, results of operations, financial condition and prospects.

We are exposed to the risk of accidents during the handling and transportation of hazardous materials for our logistics services business.

As part of our logistics services business, we handle and transport hazardous materials in Singapore on a daily basis, including chemicals and chemical compounds. We have implemented safety procedures, which is in compliance with the relevant laws and regulations in Singapore as well as the prevailing industry standards. See “Business — Our Business Processes — Logistics Services Business — Safety Measures” in this prospectus for details.

Any damage, injuries or disruptions to our business caused by such accidents during handling and transportation of these hazardous materials may result in claims against us by our employees, our customers and/or third parties for damage to property, personal injury claims, reparation costs or their compensation. These claims may lead to legal or other proceedings and may result in substantial costs and diversion of our management’s resources and attention from our business. If such legal or other proceedings are not concluded in our favour and we are made liable for the claims and incur legal and other costs, or if we accept settlement terms that are unfavourable to us, our business, results of operations, financial condition and prospects, as well as our reputation, may be adversely affected.

We may encounter delays and disruptions in our logistics operation.

For our transportation services, timely service is important to our customers. However, we may experience machinery or vehicular breakdowns, adverse weather or traffic conditions, electronic management system failures or container backlogs, all of which may result in delays or disruptions in our logistics operations. During the Track Record Period, there were no major delays or disruptions in our logistics operation. However, there is no guarantee that we will not encounter major delays or disruptions in the future.

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All of the transportation services performed are regulated and are subject to the standard terms and conditions imposed by the Singapore Logistics Association. In the event of such delays or disruptions, we will seek guidance from the compensation guidelines as issued by the Singapore Logistics Association and may be required to pay penalty sums to our customers and/or to compensate them for any losses they may sustain as a result of such delays or disruptions. Any such payments will result in an increase in our operational costs and lower our profit margins. Our reputation may also be negatively affected if we are unable to meet our customers' requirements, which may result in a decline in business opportunities available to us. As part of our risk management measures, we have obtained logistics liability insurances, which would cover certain claims by our customers including those caused by shipment delays, wrong deliveries and damage to the tanks or containers, to minimise the effect of such payments.

Our business, financial condition and results of operations could become materially and adversely affected by sanctions on Myanmar by Australia, the EU, the UN or the U.S..

Myanmar is a country that has been subject to economic sanctions by the Relevant Jurisdictions. See "Business — International Sanctions on Myanmar" in this prospectus for details of the sanctions imposed by the Relevant Jurisdictions.

For the years ended 30 September 2014, 2015, 2016 and the nine months ended 30 June 2017, our revenue generated from our operations in Myanmar amounted to nil, nil, 0.2% and 0.8% of our total revenue, respectively. Since 1 July 2017 and up to the Latest Practicable Date, our revenue generated from our operations in Myanmar amounted to S\$0.4 million.

We intend to continue our business operations in Myanmar, and we plan to expand our space optimisation business and container depot business in Myanmar. See "Business — Our Business Strategies" in this prospectus for more information.

As advised by Morgan, Lewis & Bockius LLP and Moulis Legal, our Sanctions Law Legal Advisers, following their review of our business dealings in Myanmar and their review of the Myanmar sanctions programs for the Relevant Jurisdictions, neither our business dealings in Myanmar during the Track Record Period nor our planned business dealings in Myanmar following the Track Record Period would expose us to any sanction risks or cause us to be in violation of the economic sanctions imposed against Myanmar by the Relevant Jurisdictions. This conclusion is based on the following reasons and assumptions:

- First, the sanctions programs by the Relevant Jurisdictions against Myanmar that existed during the Track Record Period and as they exist as of the date of this memorandum do not apply to our Company (including its subsidiaries) as a company incorporated in Singapore and did not extend extraterritorially to us as a Singapore company due to no or very limited extraterritorial reach by such sanctions programs.

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- Second, our business activities in Myanmar that existed during the Track Record Period and as they exist as at the Latest Practicable Date do/did not in any instance ever fall within the scope of prohibited activities under the Relevant Jurisdictions' sanctions programs against Myanmar.
- Third, our planned business dealings following the Track Record Period do not expose us to sanction risks or cause us to be in violation of the economic sanctions imposed against Myanmar by the Relevant Jurisdictions.

However, economic sanctions laws or regulations of the Relevant Jurisdictions could change in a way that could affect our business and operations in Myanmar, and/or result in restrictions, penalties and fines. Our business, financial condition and results of operations may be materially and adversely affected if the scope of the sanctions will be expanded.

Accordingly, our Sanctions Law Legal Advisers cannot provide us any assurance that our sanctions risk exposure will remain unchanged. Specifically, our Sanctions Law Legal Advisers are unable to provide any assurance that the economic sanctions laws or regulations will not change in a way that could negatively affect our business activities in Myanmar or cause us to incur sanctions risk that could expose us to potential penalties or fines.

We may be unable to execute our growth strategies or manage our growth effectively, which may hinder our ability to capitalise on new business opportunities.

We have experienced steady growth and expansion that have placed, and continues to place significant pressure on our management and resources. We plan to further expand our business operations by expanding the scope of our current operations, expanding by leveraging on our current local experience into other business and expanding geographically which include expanding into business or geographical locations where we may have no or limited operating experience. See “Business — Our Business Strategies” in this prospectus for details.

Our expansion plans as described above would require considerable amount of capital investment, which cannot be fulfilled solely by our internal resources. Substantial portion of the funds required would rely on external financing, in particular, financing provided by financial institutions. However, our ability to obtain adequate financing for our expansion plans would depend on a number of factors, such as general economic conditions and regulatory framework, many of which are beyond our control. In recent years, financial institutions are generally more cautious in lending funds to companies due to the failure and/or nationalisation of a number of large overseas financial institutions. As a result, we may face increased financing costs and difficulty in obtaining sufficient financing.

Any of the above or similar risks or uncertainties could significantly delay or otherwise restrict our ability to implement our future plans, which could in turn adversely affect our ability to continue to improve our business prospects and profitability.

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Our business is subject to regulatory and licensing requirements and we may be adversely affected if we are unable to maintain our existing licences, registrations, approvals and permits.

We require various licences, permits, approvals and certifications for our operations under the relevant regulatory and licensing regimes in the jurisdictions that we operate in, including but not limited to changes in the designated use of a development site, fire safety works, licensing of cleaning business, licensing to operate heavy vehicle parking places, licensing of security agencies, licensing of security service providers and transportation of petroleum or flammable material. See “Regulatory Overview — Overview of Singapore Laws and Regulations” in this prospectus for details.

Furthermore, the logistics services in Singapore are regulated by specific legislations regulating freight forwarding or customs clearance, warehousing, and transportation. To undertake such business, various registrations, approvals and licences are required to be obtained from regulatory authorities in Singapore. See “Regulatory Overview — Overview of Singapore Laws and Regulations — Regulations Governing Logistics Services Business” in this prospectus for details. In providing our integrated logistics services in Singapore, we have obtained various permissions, certificates, licences and approvals to carry out commercial activity. See “Business — Licences, Permits, Approvals and Certifications” in this prospectus for details. These licences and permissions are subject to renewal.

In the event that we fail to renew or obtain any relevant licences and permissions, business, reputation, prospects, results of operations and financial condition may be materially and adversely affected.

We have no control over our joint venture partner and any actions taken by our joint venture partner may adversely affect our joint ventures and in turn affect our operation.

We have joint venture partners during the Track Record Period, including the other shareholders of Work Plus Store (AMK), Four Star, Automobile Pre Delivery Base and Metropolitan Parking. See “History and Corporate Structure” in this prospectus for further information. In the future, we may set up more joint ventures to expand our business and geographical reach in the future. There can be no assurance that any of these strategic or business partners will continue their relationships with us in the future, or that we will be able to pursue our stated strategies with respect to joint ventures and the markets in which they operate. Furthermore, the joint venture partners may (a) have economic or business interests or goals that are inconsistent with ours; (b) take actions contrary to our policies or objectives; (c) undergo a change of control; (d) experience financial and other difficulties; or (e) be unable or unwilling to fulfil their obligations under the joint ventures, which may affect our financial conditions or results of operations.

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We may lose control over our subsidiaries that we are interested in 50% or less, and as a result, such subsidiaries will no longer be consolidated into our financial statements.

During the Track Record Period, we have consolidated HLA Holdings (Thailand) and HLA Container Services (Thailand) into our historical financial information. See Note 1.2 in Section II of the Accountant's Report for more information on our effective interest in HLA Holdings (Thailand) and HLA Container Services (Thailand) during the Track Record Period.

We plan to continue to establish joint ventures with third parties, which may include entities which we will be interested in 50% or less but depending on the arrangement negotiated with our joint venture partners. If such new joint venture entities are not considered as a subsidiary, they will not be consolidated into our financial statements and their financial performance will only be reflected as our share of their profit or loss for the period in our financial statement.

If any of the bases of consolidation of HLA Holdings (Thailand) and HLA Container Services (Thailand) has changed and we are no longer able to exert control over these two entities, these two entities may no longer be consolidated into our financial statements. As a result, our business, financial condition or results of operation may be adversely affected.

Our historical financial and operating results may not be indicative of our future performance.

We have experienced growth in revenue during the Track Record Period. Our revenue generated increased from S\$90.7 million for the year ended 30 September 2014 to S\$104.7 million for the year ended 30 September 2016, representing an increase of 15.4%. Our historical growth was driven by, among other things, the growth of our business, the increase in our rental rates and occupancy rates at our properties. Our financial condition and results of operations may fluctuate due to a number of other factors, many of which are beyond our control, including changes in the composition of our property portfolio, rental costs, labour costs and renovation costs.

Moreover, we may not sustain our past growth rates in future periods, and we may not sustain profitability on a quarterly, interim or annual basis in the future. Our historical results, growth rates and profitability may not be indicative of our future performance. Our Shares could be subject to significant price volatility should our earnings fail to meet the expectations of the investment community. Any of these events could cause the price of our Shares to materially decrease.

We maintained limited insurance coverage.

We maintain various insurance policies, such as group public liability insurances, business interruption insurances for our buildings, and other insurances such as fire commercial insurances and industrial all risks insurances as required by our landlords for selected properties. We also maintain other insurances such as motor vehicle insurances for our vehicles including the logistics vehicles, electronic equipment and machinery and equipment all risks insurances, transport operators liability insurance and commercial vehicle fleet insurance. We also provide all of our employees with fidelity insurances, professional indemnity insurances, group personal accident and

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group hospital and surgical policy as well as work injury compensation policies. We also maintain directors' and officers' liability insurances for the executive Directors and executive officers of our Company, and keyman insurances for our executive Directors. In addition, for most of our properties, we also require our tenants to obtain co-insurance to insure us and them against, amongst others, risks and damages to the leased premises, public liability and personal injury, death or property damages or losses arising from our tenants' operations in the leased premises.

Our Directors consider our insurance coverage to be consistent with the customary practice of businesses of our size and type, and in line with the standard commercial practice in the relevant jurisdiction. However, our insurance coverage is still limited in terms of amount, scope and benefit. We are exposed to risks that are beyond the scope of our insurance coverage, or other accidents for which we do not currently maintain insurance, loss of key management and personnel, natural disasters, terrorist attacks and social instability or any other events beyond our control. Any business disruption, litigation or legal proceedings or natural disaster, such as epidemics, pandemics or earthquakes, or other events beyond our control could result in substantial costs and the diversion of our resources. Our business, financial condition and results of operations may be materially and adversely affected as a result.

We are based in Singapore and have operations overseas, which expose us to foreign currency risk.

We are based in Singapore. We generated most of our revenue from Singapore, and we also generate revenue from our operations overseas including Indonesia, Thailand, Myanmar and Hong Kong during the Track Record Period. We are also planning to expand our business into other countries and regions including the PRC. When our overseas subsidiaries remit their dividends to our Company, the dividends will be converted from local currencies or US dollars to Singapore dollars.

Furthermore, as the overseas subsidiaries are consolidated into our financial statements in Singapore dollars terms, we will be subject to foreign exchange risks as the reporting currency of our overseas subsidiaries is the relevant local currency or US dollars, which will be translated into Singapore dollars upon consolidation. See also Note 3 (a)(i) of Section II in the Accountant's Report for details of our currency risks and the sensitivity analysis. Any foreign exchange difference from translating the reporting currencies of our overseas subsidiaries to Singapore dollars for our consolidated financial information are recognised as our other comprehensive income, and presented in the exchange translation reserve in equity. For the years ended 30 September 2014 and 2015, and for the nine months ended 30 June 2017 we recorded currency translation loss of S\$136,000, S\$290,000 and S\$51,000, respectively and for the year ended 30 September 2016, we recorded currency translation gain of S\$271,000. As a result, any unfavourable changes of the local currencies conversion against the Singapore dollars may adversely affect our results of operation.

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Unforeseeable interruptions on our information technology systems and online platforms could adversely affect our business.

We rely on technologies for our business operations such as our electronic surveillance system, electronic parking systems at our car parks in Singapore, and our enterprise-resource-planning (ERP) system for our internal management use. We also use various online platforms for our operations, including our space portal listing the availability of our property spaces for lease, our PickJunction e-Commerce platform for our merchants to sell merchandise to customers, and our information kiosks at our properties. See “Business — Information Technology Systems” in this prospectus for more information. Our operations are vulnerable to interruption by power failures and shortages, system hardware and software failures, computer viruses and other events beyond our control. For instance, during the Track Record Period, there were some isolated incidents where our electronic car parking systems did not record the entrance or exit of some cars which led to loss of revenue as the complete trip could not be recorded, and where seasonal pass holders were mistakenly charged hourly parking rates which led to dissatisfied customers. These events could disrupt our operations and customer workflows and cause economic losses for which our Group could be held liable and which could damage its reputation. We do not carry business interruption insurance to compensate us for losses that may occur as a result of such events.

In addition, information technology systems and online portals functionality continuously evolve. We are required to continuously make timely and cost-effective enhancements and additions to the systems and platforms and to introduce new technological services that meet customer demands. There is no assurance that we will be able to successfully keep up with technological improvements for our operations or to meet our customers’ needs.

Any damage or failure of our information technology systems or platforms, our failure to meet customers’ demand through information technology system or platforms could materially and adversely affect its business, financial condition and results of operations.

Our continued success is dependent on our ability to retain the services of our Directors and key personnel

We believe our success to-date has been largely attributed to the contributions and expertise of our executive Directors, Mr. Kelvin Lim and Ms. Jess Lim, as well as our executive officers, who have extensive experience in our Group’s businesses or relevant industries. Mr. Kelvin Lim and Ms. Jess Lim both have over 15 years of experience in our industries. See “Directors and Senior Management — Our Executive Directors” in this prospectus for details. Our continued success will depend on our ability to retain the services of our executive Directors and executive officers. The loss of the services of any of our executive Directors or any of our executive officers without suitable and timely replacement, or the inability to attract and retain qualified personnel may adversely affect our business, results of operations, financial condition and prospects.

RISK FACTORS

Our failure to attract and retain skilled personnel and labour could materially affect our operations and business.

Our business requires highly skilled personnel such as architects, designers, project managers, project engineers, site supervisors and safety supervisors. Skilled personnel with the appropriate experience in our industries are limited and competition for the employment of such personnel is intense. There is no assurance that we will be able to attract the necessary skilled personnel to work for us or that we will be able to retain the skilled personnel whom we have trained at our own cost or that suitable and timely replacements can be found for skilled personnel who leave us.

Furthermore, for our facilities management business and our logistics services business in Singapore, we rely on foreign workers for more labour intensive jobs as we find it more difficult to hire Singaporeans for such jobs, including cleaners and security personnel. Also, in Singapore we are required to meet the wage and training requirements specified in the progressive wage model for our cleaners and for our security officers. See “Regulatory Overview — Overview of Singapore Laws and Regulations — Licensing of Cleaning Business” and “— Provision of Security Services” in this prospectus for the respective progressive wage requirements. If we are unable to continue to attract and retain skilled employees and labour, or if there is any increase in the progressive wages in Singapore, our business, results of operations, financial condition and prospects may be materially and adversely affected.

We may be affected by conflicts, terrorist attacks, natural disasters, an outbreak of communicable diseases or other events beyond our control.

Terrorist or extremist attacks and their impact may negatively affect the logistics services industry. The potential impacts on the logistics services industry include the loss of traffic and revenues, increased security and insurance costs and delays due to tightened security. Any future terrorist or extremist attacks, or the threat of such attacks, may increase the costs of operations due to the tightened security, more delays or cancellations associated with new government decrees and reduce demand for our services. In such event, the reputation, our business and results of operations may be materially and adversely affected.

Any fresh occurrence of terrorist attacks and conflicts, natural disasters, riots, demonstrations, social unrests, international sanctions and other events beyond our control, may disrupt our business operations or cause unexpected destruction, or lead to economic and social uncertainties and may result in an economic downturns. This may in turn adversely affect our business, financial condition, results of operations and prospects.

Furthermore, an outbreak of Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome Coronavirus (MERS), Ebola virus disease (EVO), avian influenza, Influenza A (H1N1) or any other communicable diseases in the future in the countries in which we or our customers operate may potentially affect us. In particular, our operations and/or the operations of our customers may be disrupted and business sentiments, activities and spending could be adversely affected. This may in turn adversely affect our business, financial condition, results of operations and prospects.

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Our financing costs may be adversely impacted by increase in interest rate.

During the Track Record, in addition to cash generated from our business operations, we have used bank borrowings and finance leases to fund part of our operations. As at 30 September 2014, 2015 and 2016, and as at 30 June 2017, our bank borrowings were S\$10.1 million, S\$19.5 million, S\$20.0 million and S\$20.8 million, respectively, and our finance lease liabilities were S\$4.2 million, S\$3.8 million, S\$3.8 million and S\$4.2 million, respectively. See also “Business — Indebtedness” in this prospectus for details.

We may be subject to risks normally associated with debt financing, including exposure to fluctuations in interest rates and the inability to meet payments of the principal amount and interest. This is because a significant increase in interest rates would increase our Group’s borrowing and financing costs, which would in turn weaken our financial standing when seeking future financing. This may adversely affect our business, financial condition, results of operations and future prospects.

RISKS RELATING TO OUR INDUSTRIES

We are dependent on the property rental market in Singapore, Indonesia and Myanmar. Any unfavourable changes to the property rental market in these jurisdictions may materially and adversely affect our business, financial conditions and results of operations.

Our space optimisation business is our principal business and is expected to continue to contribute to majority of our revenue in the near future. Majority of our properties are located in Singapore. Our business and prospects are therefore principally dependent on the performance of the real estate market in Singapore.

The property industry and the rental demand for our properties are, in turn, affected by factors such as the prevailing state of the general economy, interest rates, other economic and political conditions, and changes in government policies. For example, in a weak economy, the rental demand for our properties such as offices, warehouses and serviced residence may be correspondingly poor. This would affect the rental prices as well as the occupancy rates of our properties. In addition, if there is an increase in the supply of other offices, warehouses and dormitories available for rent, the rental prices and occupancy rates of our properties may decline. Any unfavourable changes to the property market may materially and adversely affect our business, financial condition and results of operations.

We face intense competition in the property rental market.

As at the Latest Practicable Date, approximately 37.8% our properties are leased from various government bodies in Singapore. For these properties, such properties are usually secured through open tenders. See “Business — Our Business Processes — Our Landlords and Our Suppliers — Our Master Leases with Our Landlords” in this prospectus for more information. The rental demand for properties in certain locations is intense and we may face competition when bidding for leases of these properties. We may not be able to expand our business as planned. If we are required to

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increase our bids significantly in order to secure such leases, it will affect our potential profit margin for the given property. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, our gross profit margin of our space optimisation business was 29.8%, 26.1%, 28.0% and 23.2%, respectively. There is no assurance that we can continue to secure properties for our space optimisation business to sustain our gross profit margin. If we cannot secure new properties for our space optimisation business or at all, our business, financials and results of operations may be materially and adversely affected.

We also face competition for tenants for our properties. Our competitors may be able to offer potential tenants other properties in similar or better locations and/or aggressively reduce their rental prices in order to compete for tenants. This may result in us having to reduce the rental prices for our properties correspondingly, incur additional capital expenditure in order to increase the attractiveness of our properties, or otherwise engage in competitive strategies that may lower our profit margins. If we are unable to compete effectively, we may face lower rental demand for our properties, lower profit margins and/or loss of market share. This will in turn adversely affect our business, results of operations, financial condition and prospects.

Our major suppliers comprise mainly the landlords from whom we lease our properties. A significant portion of our revenue is derived from properties that we lease from a few of our landlords including Singapore government authorities. Properties leased from Singapore government authorities accounted for approximately 47.4%, 42.8%, 36.8% and 34.1% of our revenue for the years ended 30 September 2014, 2015, 2016 and the nine months ended 30 June 2017, respectively.

Accordingly, in the event that any of our major suppliers terminate or do not renew the existing lease agreements for our properties, or renew such leases on terms less favourable to us, or restrict or reduce the number of new properties available for lease, our business, results of operations, financial condition and prospects will be adversely affected.

We are affected by changes in laws and government regulations in countries we have presence in.

As at the Latest Practicable Date, we have operated a space optimisation business in Singapore, Indonesia and Myanmar, a logistics business in Singapore and Thailand, and a facilities management business in Singapore and Hong Kong. In the future, we are planning to expand our space optimisation in the PRC. See “Business — Our Business Strategies — Expand our business operations into other Asian countries and regions, such as the PRC” in this prospectus for details. We are therefore subject to laws and government regulations relating to these industries in the relevant jurisdictions.

Our properties (being properties that we lease or own for subletting) may be subject to various laws and government regulations in the relevant jurisdictions such as those relating to compulsory land acquisition, urban redevelopment and planning, as well as restrictions on the design, construction, zoning and usage of properties in general. For example, we are required to obtain various licences for our space optimisation work in Singapore, including for the additions and

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alterations of existing layout and for change of use, and for new properties that we have obtained. Also, the Singapore government may review its policies on leased properties or impose higher charge on such properties.

Our business operations are also subject to other laws and government regulations in the relevant jurisdictions such as those relating to the licencing regime and foreign investment. For example, we are required to obtain various licences for our facilities management business and logistics services business in certain jurisdictions. See “Regulatory Overview” in this prospectus for details.

Changes in relevant laws and government regulations may lead to an increase in our cost of operations or result in unforeseen capital expenditure in order to ensure our compliance with such changes. Revisions to existing laws or the enactment of new laws relating to the use of properties may restrict or otherwise affect the use of our properties, and new laws and government regulations may also lead to a restriction or reduction in the availability of new properties available to us for lease, whether such properties are offered by government bodies or private owners.

Furthermore, the developmental legal framework and application of legal principals in some emerging markets, such as Indonesia, Thailand, Myanmar and the PRC, may be different from those in Singapore and Hong Kong. The rights and obligations of parties conducting business in these jurisdictions may not be clearly established and recognised, and may be unexpectedly affected by unforeseen changes in laws and government regulations.

Any such changes or the introduction of new laws and government regulations may adversely affect our business, results of operations, financial condition and prospects.

Our results of operations are affected by international trade volume, global and regional economic conditions

A portion of our revenue is derived from logistics services including container depot services and transportation services. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, our revenue generated from our logistics services business amounted to S\$11.7 million, S\$14.7 million, S\$15.6 million and S\$15.9 million, respectively. Our results of operations are thus affected by global trade volume, in particular, the trade volume of Singapore. The global trade volume and Singapore trade volume are affected by changes or developments in global economic, financial and political conditions. We are also affected by changes in our customers’ business cycles. Other factors, such as impositions of trade restrictions, sanctions, boycotts and other measures, trade disputes, currency appreciation or depreciation and work stoppages, particularly in the freight forwarding industry, could adversely affect Singapore trade volume and lead to a material decline in the demand for our services and our results of operations may be adversely affected.

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RISKS RELATING TO THE HONG KONG LISTING

The time lag of the transfer of Shares between the Hong Kong and Singapore markets could be longer than expected, and our Shareholders might not be able to settle or effect any Share sale during this period

There is no direct trading or settlement between the stock exchanges of Singapore and Hong Kong. To enable the transfer of Shares between the two stock exchanges, our Shareholders are required to comply with specific procedures and bear the necessary costs. See “Listing, Registration, Dealings and Settlement” in this prospectus for more information. Under normal circumstances and assuming that there are no deviations from the usual share transfer procedures, our Shareholders can expect a normal transfer from the Singapore Principal Share Register to the Hong Kong Branch Share Register to complete within 15 Business Days and from the Hong Kong Branch Share Register to the Singapore Principal Share Register within 15 Business Days depending on whether our Shares are registered under CCASS, CDP or in the name of our Shareholders. However, we cannot assure you that the transfer of Shares will be completed in accordance with this timeline. There could be unforeseen market circumstances or other factors that could delay the transfer, thereby preventing our Shareholders from settling or effecting the sale of their Shares.

The liquidity of our Hong Kong Shares may be limited.

Prior to the Listing, our Shares are only traded on the Catalist board of SGX-ST. While we have applied for dual primary listing of and permission to deal in our Shares on the Hong Kong Stock Exchange, and that our Shares can be transferred from the Singapore Principal Share Register to the Hong Kong Branch Share Register and be traded on the Hong Kong Stock Exchange, there is no certainty as to the number of Hong Kong Shares that can be traded on the Hong Kong Stock Exchange. As such, there is no assurance that the Listing will result in the development of an active, liquid public trading market for our Shares on the Hong Kong Stock Exchange. There is no guarantee for any particular volume of our Shares will trade on the Hong Kong Stock Exchange, and investors’ ability to purchase or liquidate Shares on the Hong Kong Stock Exchange may therefore be adversely affected.

The trading and settlement of our Shares may be affected by the different characteristics between the Singapore stock market and the Hong Kong stock market.

Our Shares have been listed and traded on the Catalist board of the SGX-ST since 13 April 2015. Following the Listing, we currently intend for our Shares to continue to trade on the Catalist board of SGX-ST. Our Shares traded on the Hong Kong Stock Exchange will be registered on the Hong Kong Branch Share Register and our Shares traded on the SGX-ST will be registered on the Singapore Principal Share Register.

Furthermore, the trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules and investor bases (including different levels of retail and institutional participation) of SGX-ST and the Hong Kong Stock Exchange are different. As such,

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our Share price quoted and traded on the Hong Kong Stock Exchange and SGX-ST may not be the same at any given time, and that our historical prices on SGX-ST may not be indicative of the future performance of our Shares to be traded on the Hong Kong Stock Exchange.

Further, our Share price fluctuations on the SGX-ST and the exchange rate between Singapore dollars and Hong Kong dollars may affect our Share price on the Hong Kong Stock Exchange, and vice versa. As such, shareholders and investors shall not place any undue reliance on the historical trading history of our Shares on the Catalist board of SGX-ST when evaluating investment in our Hong Kong Shares.

We will be concurrently subject to Hong Kong and Singapore listing and regulatory requirements which may give rise to additional cost.

We are listed on the Catalist board of the SGX-ST. Upon the Listing, we will be dually listed on both the Catalist board of the SGX-ST and the main board of the Hong Kong Stock Exchange. We will therefore be subject to both the Catalist Listing Manual and the Listing Rules, and other regulatory regimes of both Hong Kong and Singapore, unless otherwise agreed or waived by the relevant regulators. As such, we may incur additional costs and resources in complying with the requirements of both Hong Kong and Singapore.

The liquidity, trading volume and market price of our Shares following the Listing may be volatile.

The price at which our Shares will trade after the Listing will be determined by the marketplace, which may be influenced by many factors, some of which are beyond our control, including:

- our financial results;
- changes in securities analysts' estimates, if any, of our financial performance;
- the history of, and the prospects for, us and the industry in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures such as the views of independent research analysts, if any;
- the present state of our development;
- new investments, acquisitions, joint ventures or alliances in the future;
- addition or departure of our key personnel;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;

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- actions taken by our competitors;
- general market sentiment regarding (i) the property rental industry in Singapore, Indonesia and Myanmar; (ii) the logistics industry in Singapore and in Thailand; (iii) the facilities management industry in Singapore and Hong Kong; and (iv) other countries or region that we may expand into;
- changes in laws and regulations in Singapore, Indonesia, Thailand, Myanmar, Hong Kong and the PRC;
- our inability to compete effectively in the market; and
- political, economic, financial and social developments in Singapore, Hong Kong and worldwide.

In addition, the Hong Kong Stock Exchange has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of companies quoted on the Hong Kong Stock Exchange. Such volatility has not always been directly related to the performance of the specific companies whose shares are traded. As a result, investors in our Shares may experience volatility in the market price of their Shares and a decrease in the value of their Shares regardless of our operating performance or prospects.

Substantial future sales or the expectation of substantial sales of our Shares in the public market could cause the price of our Shares to decline.

Sales of substantial amounts of Shares in the public market after the completion of the Global Offering, or the perception that these sales could occur, could adversely affect the market price of our Shares. There will be 402,445,400 Shares outstanding immediately following the Global Offering (assuming no Shares are allotted and issued pursuant to the exercise of options to be granted under the Share Option Scheme and assuming no Shares are issued or repurchased by our Company pursuant to the general mandate). Our Controlling Shareholders agreed that any Shares held by them will be subject to a lock-up after the Listing. See “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Undertakings by our Controlling Shareholders” in this prospectus for more information. However, the Underwriters may release these securities from these restrictions at any time and such Shares will in any event be freely tradable after the expiry of the lock-up period. Assuming no Shares are allotted and issued pursuant to the exercise of options to be granted under the Share Option Scheme and assuming no Shares are issued or repurchased by our Company pursuant to the general mandate, shares which are not subject to a lock-up arrangement represent approximately 31.6677% of the total issued share capital immediately following the Global Offering and will be freely tradable immediately following the Global Offering.

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The interest of our Controlling Shareholders may differ from your interests and they may exercise their vote to the disadvantage of our minority Shareholders.

Immediately after the completion of the Global Offering (without taking into account of any Shares which may be allotted and issued pursuant to any exercise of any options that may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by our Company pursuant to the general mandate), our Controlling Shareholders will own approximately 68.3323% of our Shares. As such, our Controlling Shareholders will have substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of Directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive our shareholders of an opportunity to receive a premium for their Shares in a sale of our Company or may reduce the market price of our Shares. These actions may be taken even if they are opposed by our other Shareholders, including those who purchased Shares in the Global Offering. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders.

Prior dividend distributions are not an indication of our future dividend policy.

For the financial years ended 30 September 2014, 2015 and 2016, we declared dividends of S\$2.0 million, S\$1.1 million and S\$2.3 million to our Shareholders, respectively, out of the distributable profit and all these dividends had been paid as at Latest Practicable Date. For the year ended 30 September 2017, our Board has proposed a final dividend of 0.2 Singapore cents per Share, which is subject to the approval by Shareholders at the forthcoming annual general meeting. Any future dividend declaration and distribution by our Company will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors deem relevant. Any declaration and payment as well as the amount of dividends will also be subject to our Constitution, including the approvals from our Shareholders and our Directors, if required. In addition, our future dividend payments will depend upon the availability of dividends received from our subsidiaries. As a result of the above, we cannot assure you that we will make any dividend payments on our Shares in the future with reference to our historical dividends. Currently, Singapore does not impose withholding tax on dividends paid to resident or non-resident Shareholders. See “Regulatory Overview — Overview of Singapore Tax Law and Regulations” for further details. See also “Financial Information — Dividend” in this prospectus for more information.

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Shareholders and investors could face difficulties in protecting their interests because our Company was incorporated under the laws of the Singapore and these laws could provide different protections to minority Shareholders than the Laws of Hong Kong.

Our corporate affairs are governed by our Constitution, the Singapore Companies Act and common law of Singapore. The laws of Singapore relating to the protection of the interests of minority shareholders could differ in some respects from those established under statutes or judicial precedent in existence in Hong Kong. Such differences could mean that the minority Shareholders could have different protections than they would have under the Laws of Hong Kong.

We have significant discretion as to how we will use the net proceeds of the Global Offering, and you may not necessarily agree with how we use them.

Our management may spend the net proceeds from the Global Offering in ways you may not agree with or that do not yield a favourable return to our Shareholders. We plan to use the net proceeds from the Global Offering for our business expansion. See “Future Plans and Use of Proceeds — Use of Proceeds” in this prospectus for more information. However, our management will have discretion as to the actual application of our net proceeds. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the net proceeds from the Global Offering.

Waivers have been granted from strict compliance with certain requirements of the Listing Rules by the Hong Kong Stock Exchange and certificate of exemption has been granted by the SFC for certain requirement under the Companies (WUMP) Ordinance. Shareholders will not have the benefit of the Listing Rules and the Companies (WUMP) Ordinance that are so waived or exempted. These waivers and exemptions could be revoked, exposing us and our Shareholders to additional legal and compliance obligations.

We have applied for, and the Hong Kong Stock Exchange and the SFC, respectively, have granted to us, a number of waivers from strict compliance with the Listing Rules and certificate of exemption for certain requirement under the Companies (WUMP) Ordinance. Please see “Waivers from Strict Compliance with the Listing Rules and Exemption from the Companies (Winding Up and Miscellaneous Provisions) Ordinance” in this prospectus for further details. There is no assurance that the Hong Kong Stock Exchange and the SFC will not revoke any of these waivers and exemptions granted or impose certain conditions on any of these waivers and exemptions. If any of these waivers and exemptions were to be revoked or to be subject to certain conditions, we may be subject to additional compliance obligations, incur additional compliance costs and face uncertainties arising from issues of multi-jurisdictional compliance, all of which could adversely affect us and our Shareholders.

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Our financial results for the year ending 30 September 2017 and 2018 will be affected by certain nonrecurring expenses, including the expenses in relation to the Listing.

Certain nonrecurring expenses, including the expenses in relation to the Listing, will affect our financial results for the years ending 30 September 2017 and 2018. We currently only have an estimate of our listing expenses. We expect that our total listing expenses will amount to approximately S\$5.9 million, of which approximately S\$1.4 million is directly attributable to the issue of the Offer Shares and to be accounted for as a deduction from equity upon completion of the Global Offering in the year ending 30 September 2018. The actual amount to be reported on the financial statements of our Group for the years ending 30 September 2017 and 2018 is subject to audit adjustment and changes in variables and assumptions. As such, the actual expenses may exceed the estimated amount and will have an adverse impact on our financial results for the years ending 30 September 2017 and 2018.

RISKS RELATING TO THE STATEMENTS MADE IN THIS PROSPECTUS AND FROM OTHER SOURCES

We cannot guarantee the accuracy of facts and other statistics with respect to certain information obtained from the Frost & Sullivan Report contained in this prospectus.

Certain facts and statistics in this prospectus, including but not limited to information and statistics relating to the market size, ranking and trends, are based on the Frost & Sullivan Report or are derived from various publicly available publications, which our Directors believe to be reliable.

We cannot, however, guarantee the quality or reliability of such facts and statistics. Although we have taken reasonable care to ensure that the facts and statistics presented are accurately extracted and reproduced from such publications and the Frost & Sullivan Report, they have not been independently verified by us, the Sole Sponsor, the Underwriters or any other party involved in the Global Offering and no representation is given as to its accuracy. We therefore make no representation as to the accuracy of such facts and statistics which may not be consistent with other information compiled by other sources and prospective investors should not place undue reliance on any facts and statistics derived from public sources or the Frost & Sullivan Report contained in this prospectus.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the Global Offering.

There may be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering, which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We have not authorised the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other

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forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

You should rely solely upon the information contained in this prospectus and any formal announcements made by us in Hong Kong in making your investment decision regarding our Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the Global Offering or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions as to whether to invest in our Company. By applying to purchase our Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus and the Application Forms.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties.

This prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as “anticipate”, “believe”, “could”, “going forward”, “intend”, “plan”, “project”, “seek”, “expect”, “may”, “ought to”, “should”, “would” or “will” and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend to update or otherwise revise the forward-looking statements in this prospectus to the public, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES
AND EXEMPTION FROM THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

In preparation of the dual primary listing of our Company on the Hong Kong Stock Exchange, we have sought certain waivers from strict compliance with certain provisions of the Listing Rules and certain exemptions from compliance with certain provisions of the Companies (WUMP) Ordinance. Set out below is a summary of the waivers and exemptions sought and granted by the Hong Kong Stock Exchange and the SFC, respectively.

Relevant Listing Rules and/or Companies (WUMP) Ordinance provisions	Subject matter
Rule 8.12 of the Listing Rules	Sufficient management presence in Hong Kong
Rules 3.28 and 8.17 of the Listing Rules	Qualification of joint company secretaries
Rule 9.09 of the Listing Rules	Dealings in securities by core connected persons during a listing application process
Rule 10.04 and paragraph 5(2) of Appendix 6 of the Listing Rules	Allocation of International Offer Shares to existing Shareholders and their close associates
Rule 19.10(6) of the Listing Rules	Inspection of legislation and regulations
Rules 4.04(2) and 4.04(4) of the Listing Rules	Shareholdings in WeOffices acquired after the Track Record Period
Rule 4.04(1) of the Listing Rules, and Section 342(1) of and paragraphs 27 and 31 of the Third Schedule to the Companies (WUMP) Ordinance	Financial information included in this prospectus
Rule 13.49(1) of the Listing Rules	Publication of preliminary results

SUFFICIENT MANAGEMENT PRESENCE IN HONG KONG (RULE 8.12 OF THE LISTING RULES)

Rule 8.12 of the Listing Rules requires that a new applicant applying for a primary listing on the Hong Kong Stock Exchange must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. As the principal business operations, properties, offices and facilities of our Group are and will continue to be predominantly located, managed and conducted in Singapore, our executive Directors and senior management are and will continue to be based in Singapore.

**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES
AND EXEMPTION FROM THE COMPANIES
(WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

As at the Latest Practicable Date, our executive Directors and all senior management are not Hong Kong resident or based in Hong Kong. We consider that it would be very difficult and unduly burdensome for us to relocate any of our executive Directors to Hong Kong and that the appointment of any additional executive Director who is ordinarily resident in Hong Kong will not be beneficial to our Group. Hence, our Directors consider it may not be practicable or in the best interest of our Company nor our Shareholders as a whole to appoint two executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying the requirements of Rule 8.12 of the Listing Rules.

Our Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 8.12 of the Listing Rules on the following conditions:

- (a) we have appointed two authorised representatives (the “**Authorised Representatives**”) pursuant to Rule 3.05 of the Listing Rules. The Authorised Representatives will act as our principal communication channel with the Hong Kong Stock Exchange. Our Company has appointed (i) Mr. Kelvin Lim, our executive Director and (ii) Ms. Jess Lim, our executive Director, as our Authorised Representatives. Mr. Kelvin Lim and Ms. Jess Lim are Singaporean citizens and may travel to Hong Kong without the need to apply for any special travel permits or visa. Each of the Authorised Representatives will be available to meet with any officers of the Hong Kong Stock Exchange within a reasonable period of time and will be readily contactable by telephone, facsimile or e-mail. Each of the Authorised Representatives is duly authorised to communicate on behalf of our Company with the Hong Kong Stock Exchange;
- (b) all of our executive Directors and independent non-executive Directors who are not ordinarily resident in Hong Kong have confirmed that they are holders of valid travel documents which allow them to visit Hong Kong and that they will also be able to meet with the officers of the Hong Kong Stock Exchange within a reasonable period of time;
- (c) our Company has appointed a compliance adviser, Fortune Financial Capital Limited (the “**Compliance Adviser**”), pursuant to Rule 3A.19 of the Listing Rules, who will act as an additional channel of communication with the Hong Kong Stock Exchange for a period commencing on the Listing Date and ending on the date on which our Company distributes the annual report for the first full financial year after the Listing Date in accordance with Rule 13.46 of the Listing Rules;
- (d) each of the Authorised Representatives and the Compliance Adviser has the means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Hong Kong Stock Exchange wishes to contact our Directors on any matters or to arrange meetings upon reasonable prior notice being given;

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- (e) to enhance the communication between the Hong Kong Stock Exchange, the Authorised Representatives and our Directors, we will implement a policy whereby (i) each Director is required to provide his office phone number, mobile phone numbers, fax numbers and e-mail addresses to the Authorised Representatives and his respective alternate; (ii) each Director will endeavour to provide valid phone numbers or other means of communication of the place of his accommodation to the Authorised Representatives and his respective alternate prior to travelling outside; and (iii) each Director shall provide his mobile phone number, office phone numbers, fax numbers and e-mail addresses to the Hong Kong Stock Exchange; and
- (f) our Company shall inform the Hong Kong Stock Exchange promptly in the event of any changes to the Authorised Representatives or the Compliance Adviser in accordance with the Listing Rules.

QUALIFICATION OF JOINT COMPANY SECRETARIES (RULES 3.28 AND 8.17 OF THE LISTING RULES)

Rule 8.17 of the Listing Rules provides that the issuer must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules.

According to Rule 3.28 of the Listing Rules, the secretary of the issuer must be a person who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers that the following academic or professional qualifications to be acceptable: (i) a member of The Hong Kong Institute of Chartered Secretaries; (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

Note 2 to Rule 3.28 of the Listing Rules provides that in assessing “relevant experience”, the Hong Kong Stock Exchange will consider the individual’s (i) length of employment with the issuer and other listed companies and the roles he/she played, (ii) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies (WUMP) Ordinance and the Takeovers Code, (iii) relevant training taken and/or to be taken in addition to the minimum requirement of taking not less than 15 hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules, and (iv) professional qualifications in other jurisdictions.

Having considered the rationale of Rules 3.28 and 8.17 of the Listing Rules, our Directors acknowledge the important role of the company secretary in the corporate governance of a listed issuer, particularly in assisting the listed issuer as well as its directors in complying with the Listing Rules and other relevant laws and regulations.

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Mr. Leong Chee Meng, Kenneth has been employed by Boardroom Corporate & Advisory Services Pte. Ltd since July 2014. Mr. Leong currently holds the position of corporate secretarial manager and is responsible for the provision of corporate secretarial services to both non-listed and listed companies in Singapore. Boardroom Corporate & Advisory Services Pte. Ltd. is a wholly-owned subsidiary of Boardroom Limited. Boardroom Limited is listed on the main board of the SGX-ST and primarily provides services in the areas of corporate secretarial, share registration, accounting and taxation services.

Mr. Leong holds a degree in Accountancy from the Nanyang Technological University, Singapore in 2003 and is a Chartered Accountant in Singapore. Mr. Leong currently acts as the company secretary of certain companies listed on the SGX-ST.

Our Board acknowledged that Mr. Leong does not possess the academic or professional qualifications as set out in Note 1 to Rule 3.28 of the Listing Rules. However, Mr. Leong is a Singapore resident and possesses the required qualifications to satisfy the requirements under section 171(1AA) of the Singapore Companies Act. Our Directors believe that Mr. Leong, by virtue of the length of acting as a company secretary of our Company and his experience in providing services to listed and non-listed companies, coupled with the implementation of the following arrangements by our Company, should be able to discharge his function as a company secretary of our Company and would satisfy the requirements of Rules 3.28 and 8.17 of the Listing Rules in relation to company secretary:

1. our Company has appointed Mr. Ng Chit Sing, who is an associate member of the Hong Kong Institute of Chartered Secretaries and meets the requirements under Note 1 to Rule 3.28 of the Listing Rules, as a joint company secretary in Hong Kong to work closely with Mr. Leong in the discharge of his duties as a company secretary for an initial period of three years commencing from the Listing Date. As part of the proposed arrangement, Mr. Ng will familiarise himself with the affairs of our Company and will communicate regularly with Mr. Leong on matters relating to corporate governance, the Listing Rules as well as the applicable laws and regulations and other affairs of our Company;
2. Mr. Leong will endeavour to attend relevant training courses to keep himself abreast with the applicable Hong Kong laws and regulations (including the Listing Rules) organised by accredited organisations and seminars organised by the Hong Kong Stock Exchange for listed issuers from time to time, in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
3. before the expiry of the three-year period commencing from the date of proposed listing of our Company, a further evaluation of the qualifications and experience of Mr. Leong and the need for on-going assistance would be made.

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Accordingly, our Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules. This waiver is valid for a period of three years from the Listing Date and will be revoked immediately if Mr. Ng ceases to provide assistance to Mr. Leong as a joint company secretary of our Company during the three years after the Listing Date.

DEALING IN SECURITIES BY CORE CONNECTED PERSONS DURING A LISTING APPLICATION PROCESS (RULE 9.09 OF THE LISTING RULES)

Rule 9.09 of the Listing Rules provides that there must be no dealing in the securities for which listing is sought by any core connected person of the issuer from four clear Business Days before the expected hearing date until listing is granted (the “**Relevant Period**”). Our Company, being a company whose shares are widely held, publicly traded and listed on the Catalist board of the SGX-ST, is not in a position to control the investment decisions of our Shareholders (other than Fragrance Ltd or its close associates) or the investing public in Singapore. To the best knowledge of our Directors after making all reasonable enquiries, other than our Controlling Shareholders, there is no Shareholder who held more than 10% of the total issued share capital of our Company as at the Latest Practicable Date. Further, other than Mr. Kelvin Lim and Ms. Jess Lim, none of our Directors is interested directly or indirectly in any Shares at the Latest Practicable Date.

Our Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 9.09 of the Listing Rules subject to the following conditions:

- (a) the core connected person(s), other than those who are Directors of our Company:
 - (i) shall have no influence over the listing process; and
 - (ii) are not in possession of any non-public inside information;
- (b) we shall promptly release any inside information to the public on SGX-ST in accordance with the relevant laws and regulations in Singapore and Hong Kong;
- (c) we shall procure that none of our existing core connected persons deals in our Shares during the Relevant Period;
- (d) we will notify the Hong Kong Stock Exchange if there is any dealing or suspected dealing in our Shares by any of our core connected persons during the Relevant Period; and

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- (e) for any person (other than our Controlling Shareholders) who, as a result of dealing in the securities of our Company during the Relevant Period, becomes a substantial shareholder of our Company (the “**Potential New Substantial Shareholder**”), we confirm that:
 - (i) such Potential New Substantial Shareholder is currently not a Director or a member of the senior management of our Company or any of its subsidiaries and would not become a Director or a member of the senior management of our Group after Listing; and
 - (ii) our Company and its management have not had control over the investment decisions of such Potential New Substantial Shareholder or its close associates.

As at the Latest Practicable Date, we were not aware of any core connected person who may not be able to comply with Rule 9.09 of the Listing Rules.

ALLOCATION OF INTERNATIONAL OFFER SHARES TO EXISTING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES (RULE 10.04 AND PARAGRAPH 5(2) OF APPENDIX 6 OF THE LISTING RULES)

Rules 10.04, 10.03(1) and 10.03(2) of the Listing Rules provide that a person who is an existing shareholder of the issuer may only subscribe for or purchase securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the following conditions are fulfilled: (i) no securities are to be offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

Paragraph 5(2) of Appendix 6 to the Listing Rules provides, among other matters, that unless with the prior written consent of the Hong Kong Stock Exchange, no allocations will be permitted to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

The International Underwriters will solicit from prospective professional, institutional and private investors indications of interest in acquiring the International Offer Shares in the International Offering. Prospective professional, institutional and private investors will be required to specify the number of International Offer Shares under the International Offering they would prepare to acquire either at different prices or at a particular price. It may be necessary for the International Underwriters to include existing Shareholders in such “book-building” process described above.

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Our Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 10.04 of the Listing Rules, and its consent under paragraph 5(2) of Appendix 6 to the Listing Rules to permit our Company to allocate the International Offer Shares in the International Offering to existing Shareholders and their close associates, subject to the following conditions:

- (a) each existing Shareholder to whom International Offer Shares may be allocated in the International Offering must hold less than 5% of the issued Shares in our Company prior to Listing;
- (b) such existing Shareholders and their close associates are not, and will not be, core connected persons (as defined under the Listing Rules) of our Company or any close associate (as defined under the Listing Rules) of any such core connected person immediately prior to or following the Global Offering;
- (c) such existing Shareholders have no right to appoint directors of our Company and do not have other special rights in our Company;
- (d) allocation to such existing Shareholders and their close associates will not affect our Company's ability to satisfy the public float requirement under Rule 8.08 of the Listing Rules;
- (e) each of our Company, the Joint Bookrunners, the Joint Lead Managers and the Sole Sponsor (based on the discussion with and confirmation from the Company and the Joint Bookrunners) confirms to the Hong Kong Stock Exchange in writing that no preferential treatment has been, nor will be, given to our existing Shareholders and their close associates by virtue of their relationship with our Company in any allocation in the International Offering; and
- (f) the relevant information in respect of the allocation to our existing Shareholders and/or their close associates will be disclosed in the allotment results announcement.

INSPECTION OF LEGISLATION AND REGULATIONS (RULE 19.10(6) OF THE LISTING RULES)

Rule 19.10(6) of the Listing Rules provides that an overseas issuer must offer for inspection a copy of any statutes or regulations which are relevant to the summary of the regulatory provisions of the jurisdiction in which the overseas issuer is incorporated. In the case of our Company, these include the Singapore Companies Act, the Singapore Securities and Futures Act, the Singapore Takeovers Code and the Catalist Listing Manual. These copies of legislation are lengthy and it would be difficult to deliver copies to Hong Kong in physical format. In addition, these copies of legislation can be readily accessed via the internet. For further details about how to access these copies of legislation via the internet, see "Appendix VII — Documents Delivered to the Registrar

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of Companies in Hong Kong and Available for Inspection — Documents Available for Inspection”. Our Company has sought, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 19.10(6) of the Listing Rules.

**SHAREHOLDINGS IN WEOFFICES ACQUIRED AFTER THE TRACK RECORD PERIOD
(RULES 4.04(2) AND 4.04(4) OF THE LISTING RULES)**

Rules 4.04(2) and 4.04(4) of the Listing Rules require a new listing applicant to include in its prospectus the results and statement of financial position of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date of the latest audited balance sheet of the listing applicant included in its prospectus. Under Paragraph 4.1A(i) of the Guidance Letter HKEx32-12 issued by the Hong Kong Stock Exchange entitled “Guidance on the accounting and disclosure requirements for (A) acquisitions of subsidiaries and businesses conducted during or after the trading record period; and (B) stub period comparatives”, “acquisition of business” include acquisition of any equity interest in another company.

On 21 July 2017, one of our wholly-owned subsidiaries, GH Suited Offices, entered into the WeOffices Investment Agreement with M. VAD HOLDING ApS, Lodberg IVS, Bo Frausing Holding ApS and WeOffices, pursuant to which WeOffices agreed to allot and issue, and GH Suited Offices agreed to subscribe for, a total of 13,461,538 shares in WeOffices in two tranches. See “History and Corporate Structure — Our Investment in WeOffices after the Track Record Period” in this prospectus for details.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules in relation to the preparation of financial statements in respect of our subscription of shares in WeOffices on the following grounds:

(i) Immateriality

Under Rule 14.04(9) of the Listing Rules, all the applicable ratios in relation to our subscription of shares in WeOffices are substantially below 5%. For indicative purpose, based on (i) the unaudited management accounts of WeOffices provided by WeOffices as at 31 May 2017; (ii) assuming the maximum consideration to be paid for the second tranche subscription, based on discussions during our negotiation process, to be approximately DKK0.5 million (equivalent to approximately S\$0.1 million), and the total consideration to be paid by us for our investment in WeOffices (including both first and second tranches) as provided under the WeOffices Investment Agreement to be approximately DKK2.0 million (equivalent to approximately S\$0.4 million); and (iii) the expected minimum total market capitalisation of our Company upon the Listing of approximately HK\$857.0 million assuming the Offer Price will be determined at the low-end of the Offer Price range, the asset ratio, profits ratio, revenue ratio and consideration ratio of our subscription in the shares of WeOffices by reference to, for the asset ratio, the six months ended 31 March 2017, and for the profits ratio

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and revenue ratio, the year ended 30 September 2016, are approximately 0.03%, 0.01%, 0.06% and 0.28%, respectively. Furthermore, our subscription of shares in WeOffices is not significant enough to require us to prepare pro forma financial information under Rule 4.28 of the Listing Rules. Accordingly, we consider our investment in WeOffices to be immaterial to the scale of our operations as a whole and do not expect it to have any material effect on our business, financial conditions or operations. As such, an exemption from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules will not affect our investors and our potential investors to assess our business and future prospects when considering an investment in our Group.

(ii) Acquisition of a minority interest in WeOffices

As we will only acquire a total of 17.5% of the total issued share capital of WeOffices, which represents our voting rights in WeOffices, we are neither able to exercise any control, nor have any significant influence, over WeOffices and its underlying business. As such, WeOffices will not be treated as our subsidiary or our associate upon completion of the subscription of shares in WeOffices. As WeOffices will not be a subsidiary, its financial information will not be consolidated into our financial information. Our shares in WeOffices will be recognised as available-for-sale equity securities in our financial statements, and any subsequent change in the fair value of our shares in WeOffices is expected to be recognised as other comprehensive income and be recorded as fair value reserve in our financial statements.

(iii) Impracticality and undue burden

As our investment in WeOffices amounts to a total of 17.5% of the total issued share capital of WeOffices, and based on our discussion with the management of WeOffices, we will not have any day-to-day management role other than a director whose involvement will be non-executive in nature to be appointed onto the board of directors of WeOffices. Furthermore, as WeOffices will not be consolidated into our financial information and we only have a minority interest in WeOffices, we will unlikely be able to have our reporting accountant to gain full access to WeOffices' financials in order to fully familiarize with the accounting policies of WeOffices and to gather and compile the necessary financial information and supporting documents for disclosure in this prospectus. As such, it would be impracticable and unlikely within the tight timeframe between the completion of the first tranche of subscription of shares in WeOffices and the Listing for us to disclose the financial information of WeOffices since its incorporation.

(iv) Alternative disclosure

With a view of allowing the potential investors in our Shares for the Listing to understand our investment in WeOffices in greater details, we have provided in this prospectus information in relation to our investment in WeOffices which is comparable to the information that is required for a discloseable transaction under Chapter 14 of the Listing Rules, including,

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(a) general description of the scope of principal business activities of WeOffices and other counterparties of the WeOffices Investment Agreement, and financial information on WeOffices available to us; (b) the consideration of the transaction; (c) the basis on which the consideration is determined; (d) how the consideration will be satisfied and the payment terms; (e) reasons for and benefits of the transactions; and (f) any other material terms in relation to the our investment in WeOffices. See “History and Corporate Structure — Our Investment in WeOffices after the Track Record Period” in this prospectus for details.

FINANCIAL INFORMATION INCLUDED IN THIS PROSPECTUS (RULE 4.04(1) OF THE LISTING RULES, AND SECTION 342(1) OF AND PARAGRAPHS 27 AND 31 OF THE THIRD SCHEDULE TO THE COMPANIES (WUMP) ORDINANCE)

According to Rule 4.04(1) of the Listing Rules, the Accountant’s Report contained in this prospectus must include, *inter alia*, the results of our Company in respect of each of the three financial years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Hong Kong Stock Exchange.

Section 342(1) of the Companies (WUMP) Ordinance requires all prospectuses to include an accountants’ report which contains the matters specified in the Third Schedule to the Companies (WUMP) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (WUMP) Ordinance, our Company is required to include in this prospectus a statement as to the gross trading income or sales turnover (as the case may be) of our Company during each of the three financial years immediately preceding the issue of this prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance, our Company is required to include in this prospectus a report by our auditor with respect to profits and losses and assets and liabilities of our Company in respect of each of the three financial years immediately preceding the issue of this prospectus.

Pursuant to section 342A(1) of the Companies (WUMP) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (WUMP) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

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Pursuant to the relevant requirements set forth above, our Company is required to produce three full years of audited accounts for the years ended 30 September 2015, 2016 and 2017. However, an application was made to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver was granted by the Hong Kong Stock Exchange on the conditions that:

- (i) this prospectus must include the financial information for the latest financial year ended 30 September 2017 and a commentary on the results for the year. The financial information to be included in this prospectus must (a) follow the same content requirements as for a preliminary results announcements under Rule 13.49 of the Listing Rules; and (b) be agreed with the reporting accountant following their review under Practice Note 730 “Guidance for Auditors Regarding Preliminary Announcements of Annual Results” issued by the Hong Kong Institute of Certified Public Accountants;
- (ii) our Company be listed on the Hong Kong Stock Exchange by 31 December 2017; and
- (iii) our Company must obtain a certificate of exemption from the SFC on compliance with the relevant Companies (WUMP) Ordinance requirements.

An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1) in relation to paragraphs 27 and 31 of the Third Schedule to the Companies (WUMP) Ordinance and a certificate of exemption has been granted by the SFC under section 342A of the Companies (WUMP) Ordinance on the conditions that:

- (i) the particulars of the exemption be set forth in this prospectus;
- (ii) this prospectus be issued by 15 December 2017; and
- (iii) our Company be listed on the Hong Kong Stock Exchange by 31 December 2017.

The applications to Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1) in relation to paragraphs 27 and 31 of the Third Schedule to the Companies (WUMP) Ordinance were made on the grounds, among others, that strict compliance with the above requirements would be unduly burdensome and the exemption would not prejudice the interest of the investing public given the followings:

- (i) there would not be sufficient time for our Company and its reporting accountant to complete the audit work on the full financial information for the year ended 30 September 2017 for inclusion in this prospectus. If the financial information is required to be audited up to 30 September 2017, our Company and our reporting accountant

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would have to undertake a considerable amount of work to prepare the financial information to be included in this prospectus and to update the relevant disclosures in this prospectus to cover such additional period;

- (ii) our Company has included in this prospectus the Accountant's Report covering the three years ended 30 September 2014, 2015 and 2016 and the nine months ended 30 June 2017 as set out in Appendix I to this prospectus, together with the unaudited financial information for the latest financial year ended 30 September 2017, which has been agreed with the reporting accountant, PricewaterhouseCoopers, following their review under Practice Note 730 "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants, and the commentary on the results for the year as set out in Appendix IA to this prospectus; and
- (iii) the financial information for the latest financial year ended 30 September 2017 and commentary on the results for the year as set out in Appendix IA to this prospectus are no less than the content requirements for a preliminary results announcement under Rule 13.49 of the Listing Rules. As such, our Company is of the view that all material information that is necessary for the Shareholders and the potential investors to make an informed assessment of the prospects, financial position and management of our Company has been disclosed in this prospectus.

In particular, our Directors confirmed that all information necessary for the public to make an informed assessment of the prospects, financial position and management of our Company has been disclosed in this prospectus, and that, as such, the granting of the certificate of exemption from strict compliance with the requirements under section 342(1) in relation to paragraphs 27 and 31 of the Third Schedule to the Companies (WUMP) Ordinance will not prejudice the interest of the investing public. Furthermore, our Directors and the Sole Sponsor, after conducted due diligence, confirmed that there had not been any material adverse change in the financial or trading positions or prospects of our Group since 30 June 2017 and up to the date of this prospectus, and that there is no event since 30 June 2017 and up to the date of this prospectus which will materially affect the information shown in the Accountant's Report set out in Appendix I to this prospectus, the section headed "Financial Information" in this prospectus and other parts of this prospectus.

PUBLICATION OF PRELIMINARY RESULTS (RULE 13.49(1))

Pursuant to Rule 13.49(1) of the Listing Rules, an issuer is required to publish its preliminary results in respect of each financial year as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the trading session or any pre-opening session on the next business day after approval by or on behalf of the board.

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Based on the requirements of the Catalist Listing Manual, our Company is required to publish our preliminary annual results announcement for the year ended 30 September 2017 in Singapore in accordance with the Catalist Listing Manual on or before 29 November 2017. As such, the Board meeting to approve such preliminary annual results announcement would be held on or before 29 November 2017. In order to comply with the Catalist Listing Manual, preliminary annual results announcement of our Company for the year ended 30 September 2017 has been approved by the Board on 27 November 2017 and the same has been published on the same day. As such, even if our Company will publish the preliminary results announcement for the year ended 30 September 2017 on the Listing Date, we will still not comply with the requirements under Rule 13.49(1) of the Listing Rules as the Board meeting approving the announcement has been held on 27 November 2017.

Furthermore, the disclosures contained in Appendix IA to this prospectus are no less than the content requirements for a preliminary results announcement under Rule 13.49 of the Listing Rules. As such, our Shareholders will have the equivalent information in this prospectus.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 13.49(1) of the Listing Rules in respect of the publication of the preliminary results announcement for the year ended 30 September 2017, subject to the following conditions:

- (i) this prospectus must include the financial information for the latest financial year ended 30 September 2017 and a commentary on the results for the year; and
- (ii) our Directors will ensure that our Company is not in breach of our Constitution or laws and regulations of Singapore or other regulatory requirements regarding its obligation to publish annual results announcements and distribute annual reports and accounts.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (WUMP) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

INFORMATION ON THE GLOBAL OFFERING

The Offer Shares are offered solely on the basis of the information contained and the representations made in this prospectus and the Application Forms, on the terms and subject to the conditions set out herein and therein. No person in connection with the Global Offering is authorised to give any information, or to make any representation not contained in this prospectus and the Application Forms, and any information or representation not contained herein must not be relied upon as having been authorised by our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

Details of the structure of the Global Offering, including its conditions, are set out in section headed "Structure of the Global Offering" in this prospectus, and the procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus and on the relevant Application Forms.

FULLY UNDERWRITTEN

The Global Offering comprises the International Offering and the Hong Kong Public Offering. The Global Offering is an offer of 4,200,000 New Shares under the Hong Kong Public Offering (subject to reallocation) and 37,800,000 New Shares under the International Offering (subject to reallocation), in each case at the Offer Price. Details of the structure of the Global Offering are set out in the section headed "Structure of the Global Offering" in this prospectus. This prospectus is published solely in connection with the Hong Kong Public Offering which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the Application Forms set out the terms and conditions of the Hong Kong Public Offering.

The Listing is sponsored by the Sole Sponsor. The Hong Kong Public Offering will be fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to the agreement to the Offer Price between our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters). The Global Offering is managed by the Joint Bookrunners. The International Offering will be fully underwritten by the International

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Underwriters under the terms of the International Underwriting Agreement. For further information about the Underwriters and the underwriting arrangements, please refer to the section headed “Underwriting” in this prospectus.

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which will be determined by the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company on or around Wednesday, 20 December 2017 (Hong Kong time) or such later time as may be agreed between the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company, but in any event no later than Wednesday, 27 December 2017 (Hong Kong time). The Offer Price will be not more than HK\$2.36 per Offer Share and is currently expected to be not less than HK\$1.90 per Offer Share, unless otherwise announced. Investors applying for the Hong Kong Offer Shares must pay, on application, the maximum Offer Price of HK\$2.36 per Offer Share, together with brokerage of 1.0%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price is lower than HK\$2.36 per Offer Share.

The Joint Bookrunners (for themselves and on behalf of the Underwriters) may, with the consent of our Company, reduce the number of the Offer Shares and/or the indicative Offer Price range stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, a notice of reduction of the number of the Offer Shares and/or the indicative Offer Price range will be published on our Company’s website at www.lhngroup.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk, not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. If applications for Hong Kong Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offering, then even if the Offer Price is so reduced, such applications cannot subsequently be withdrawn.

If, for whatever reason, the Offer Price is not agreed among our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) on or before Wednesday, 27 December 2017, the Global Offering will not proceed and will lapse.

SELLING RESTRICTIONS

Each person acquiring the Offer Shares will be required to confirm, or by his/her acquisition of the Offer Shares be deemed to confirm, that he/she is aware of the restrictions on the offers of the Offer Shares described in this prospectus and that he/she is not acquiring, and has not been offered, any such shares in circumstance that contravenes any such restrictions.

No action has been taken to permit any offering of the Offer Shares or the distribution of this prospectus and/or the Applicant Form in any jurisdiction other than Hong Kong. Accordingly, this prospectus and/or the Application Forms may not be used for the purpose of, and does not constitute, an offer or invitation nor is it calculated to invite or solicit offers in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and/or

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

the Application Forms and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable laws, rules and regulations of such jurisdictions pursuant to registration with or authorisation by the relevant regulatory authorities or as an exemption therefrom. In particular, the Offer Shares have not been publicly offered or sold, directly or indirectly, in the U.S.

APPLICATION FOR LISTING ON STOCK EXCHANGE

Application has been made to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the Global Offering and the exercise of options to be granted under the Share Option Scheme.

Save as disclosed herein, no part of the equity or debt securities of our Company is listed or dealt in on any other Stock Exchange and, at present, no such listing or permission to list is being or is proposed to be sought on any other Stock Exchange in the near future.

Under section 44B(1) of the Companies (WUMP) Ordinance, any allotment made in respect of any application will be void if the listing of, and permission to deal in, the Offer Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Hong Kong Stock Exchange.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares to be issued as mentioned in this prospectus on the Hong Kong Stock Exchange and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date, or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbrokers or other professional advisors for details of those settlement arrangements as such arrangements will affect their rights and interests. All necessary arrangements have been made for the Shares to be admitted into CCASS.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in any doubt as to the tax implications of the subscription for, purchasing, holding, disposing of, dealings in, or the exercise of any rights in relation to, the Offer Shares. It is emphasised that none of our Group, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, advisors, officers, employees, agents or representatives (where applicable) or any other persons or party involved in the Global Offering accepts responsibility for any tax effects on or liabilities resulting from the subscription for, purchasing, holding, disposing of, or dealings in, or the exercise of any rights in relation to, the Offer Shares.

HONG KONG SHARE REGISTER AND STAMP DUTY

All Shares to be issued pursuant to applications made in the Global Offering and any Shares to be issued upon exercise of options to be granted under the Share Option Scheme will be registered on our register of members to be maintained by our Hong Kong Share Registrar in Hong Kong. Our principal register of members will be maintained by Boardroom Corporate & Advisory Services Pte. Ltd. in Singapore. Only Shares registered on our Company's register of members maintained in Hong Kong may be traded on the Hong Kong Stock Exchange.

Dealings in our Shares registered on our Company's Hong Kong register of members will be subject to Hong Kong stamp duty.

OUR PROPOSED AUDITORS AFTER THE LISTING

Under Rule 19.20 of the Listing Rules, we, as an overseas issuer, must have our annual accounts audited by a person, firm or company who must be a practicing accountant of good standing, and that such person, firm or company must also be independent to the same extent as that required of an auditor under the Companies Ordinance and in accordance with the statements on independence issued by the International Federation of Accountants. As we are seeking a dual primary listing on the Hong Kong Stock Exchange, the firm of accountant must be acceptable to the Hong Kong Stock Exchange which has an international name and reputation and is a member of a recognised body of accountants.

After the Listing, PricewaterhouseCoopers LLP Singapore will continue to be the auditor of our Group. PricewaterhouseCoopers LLP Singapore is the member firm of the network of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity. PricewaterhouseCoopers LLP Singapore is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Cap 163A) of the laws of the Republic of Singapore.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

PricewaterhouseCoopers LLP Singapore is subject to the independent oversight and regulation of the ACRA, which is a statutory board of the government of Singapore and the national regulator of business entities and public accountants in Singapore. ACRA is also a founding member of the International Forum of Independent Audit Regulators (“IFIAR”) and has representation on the IFIAR’s Advisory Council.

All the audit partners in PricewaterhouseCoopers LLP Singapore are registered public accountants with ACRA and are also practicing members of the Institute of Singapore Chartered Accountants, a member of the International Federation of Accountants, a global organisation for the accountancy profession.

The Hong Kong Stock Exchange has accepted PricewaterhouseCoopers LLP Singapore to be acceptable as our Group’s auditors after the Listing to audit our annual accounts pursuant to Rule 19.20(2) of the Listing Rules.

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedure for application for the Hong Kong Offer Shares is as set out in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus and on the relevant Application Forms.

STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

Details of the structure and conditions of the Global Offering are set out in the section headed “Structure of the Global Offering” in this prospectus.

DEALINGS AND SETTLEMENT

Dealings in the Shares on Main Board of Hong Kong Stock Exchange are expected to commence at 9:00 a.m. (Hong Kong time) on or about Friday, 29 December 2017.

Our Shares will be traded in board lots of 2,000 Shares each and are freely transferable.

ROUNDING

Certain amount and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation version of this prospectus, the English version of this prospectus shall prevail. Names of any laws and regulations, governmental authorities, institutions, natural persons or other entities which have been translated into English and included in this prospectus and for which no official English translation exists are unofficial translations for your reference only.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

TRANSLATION

Unless otherwise specified, amounts denominated in S\$ have been translated, for the purpose of illustration only, into HK\$, Rp, DKK, US\$, RMB and THB (or vice versa), and amounts denominated in US\$ have been translated, for the purpose of illustration only into K and KHR (or vice versa) in this prospectus at the following exchange rates:

S\$1	:	HK\$5.75
S\$1	:	Rp9,900.99
S\$1	:	DKK4.65
S\$1	:	US\$0.73
S\$1	:	RMB4.9310
S\$1	:	THB24.8756
US\$1	:	KHR4,000
US\$1	:	K1,359

No representation is made that any S\$ amounts were or could have been or could be converted into HK\$, at such rate or any other rate on any date.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
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Executive Directors

Mr. Kelvin Lim (林隆田)	Apt Blk 966 Dunearn Road #09-17 Singapore 589488	Singaporean
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Ms. Jess Lim (林美珠)	2 Jalan Emas Urai Singapore 678722	Singaporean
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Independent non-executive Directors

Ms. Ch'ng Li-Ling (莊立林)	Apt Blk 40 Cambridge Road #05-119 Singapore 210040	Singaporean
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Mr. Eddie Yong (楊志雄)	27 Makepeace Road Singapore 228650	Singaporean
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Mr. Chan Ka Leung Gary (陳嘉樑)	Flat B, 16/F Gardenview Heights 19 Tai Hang Drive Tai Hang Hong Kong	Canadian
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SENIOR MANAGEMENT

<u>Name</u>	<u>Address</u>
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Mr. Danny Wong (王志斌)	261 River Valley Road #06-16 Singapore 238307
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Ms. Yeo Swee Cheng (楊瑞清)	31 Amber Gardens #03-03 Singapore 439967
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See also “Directors and Senior Management” in this prospectus for more information.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor

Fortune Financial Capital Limited
35/F, Office Tower, Convention Plaza
1 Harbour Road
Wan Chai
Hong Kong

**Joint Bookrunners and
Joint Lead Managers**

Pacific Foundation Securities Limited
11/F, New World Tower II
16–18 Queen’s Road Central
Hong Kong

Fortune (HK) Securities Limited
35/F, Office Tower
Convention Plaza
1 Harbour Road
Wan Chai
Hong Kong

Legal advisers to our Company

As to Hong Kong law:

Luk & Partners
in Association with
Morgan, Lewis & Bockius
Unit 2001, Level 20
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

As to Singapore law:

Morgan Lewis Stamford LLC
10 Collyer Quay
#27-00 Ocean Financial Centre
Singapore 049315

As to Indonesia law:

Dau & Tuah
Gedung Pusat Perfilman H. Usmar Ismail
2nd Floor, Suite 209
Jl. HR. Rasuna Said Kav. C-22, Kuningan
Jakarta Selatan 12940
Indonesia

As to Thailand law:

The Capital Law Office Limited
44 Smooth Life Tower 18/F
North Sathorn Road
Bangrak, Bangkok
10500
Thailand

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

As to Myanmar law:

Polastri Wint & Partners Legal Services Limited

No. 2, Aung Min Gaung Street
Than Lwin Road, No. 10 Quarter
Kamaryut Township
Yangon
Myanmar

As to PRC law:

Commerce & Finance Law Offices

6/F, NCI Tower
A12 Jianguomenwai Avenue
Chaoyang District
Beijing 100022
China

As to Malaysia law:

Kadir Andri & Partners

Level 10 Menara BRDB
285 Jalan Maarof
Bukit Bandaraya
59000 Kuala Lumpur
Malaysia

As to U.S., EU and United Nations sanctions laws:

Morgan, Lewis & Bockius LLP

1701 Market Street
Philadelphia
Pennsylvania 19103
United States of America

As to Australia sanctions laws:

Moulis Legal

6/2 Brindabella Circuit
Brindabella Business Park
Canberra International Airport
ACT 2609
Australia

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal advisers to the Sole Sponsor and the Underwriters	<i>As to Hong Kong law:</i> Robertsons 57/F, The Center 99 Queen's Road Central Hong Kong
Reporting accountant	PricewaterhouseCoopers 22/F, Prince's Building Central Hong Kong
Property valuer	Jones Lang LaSalle Property Consultants Pte Ltd 9 Raffles Place #39-00 Republic Plaza Singapore 048619
Receiving banker	DBS Bank (Hong Kong) Limited 16/F, The Center 99 Queen's Road Central Hong Kong
Compliance adviser	Fortune Financial Capital Limited 35/F, Office Tower Convention Plaza 1 Harbour Road Wan Chai Hong Kong
Independent industry consultant	Frost & Sullivan International Limited 1706, One Exchange Square 8 Connaught Place Central Hong Kong

CORPORATE INFORMATION

Registered office	10 Raeburn Park #02-18 Singapore 088702
Principal place of business in Hong Kong	Rooms 802–804, 8/F Kin Wing Commercial Building 24–30 Kin Wing Street Tuen Mun, New Territories, Hong Kong
Company’s website	<u>www.lhngroup.com</u> <i>(information contained in this website does not form part of the prospectus)</i>
Joint company secretaries	Mr. Leong Chee Meng, Kenneth 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 Mr. Ng Chit Sing, HKICS, ICSA Rooms 802–804, 8/F Kin Wing Commercial Building 24–30 Kin Wing Street Tuen Mun, New Territories, Hong Kong
Authorised representatives	Mr. Kelvin Lim Apt Blk 966 Dunearn Road #09-17 Singapore 589488 Ms. Jess Lim 2 Jalan Emas Urai Singapore 678722
Audit Committee	Mr. Chan Ka Leung Gary (<i>Chairman</i>) Ms. Ch’ng Li-Ling Mr. Eddie Yong
Remuneration Committee	Ms. Ch’ng Li-Ling (<i>Chairlady</i>) Mr. Eddie Yong Mr. Chan Ka Leung Gary

CORPORATE INFORMATION

Nominating Committee	Mr. Eddie Yong (<i>Chairman</i>) Mr. Kelvin Lim Ms. Ch'ng Li-Ling Mr. Chan Ka Leung Gary
Principal share registrar and transfer office	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Principal bankers	DBS Bank Ltd. 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982 Hong Leong Finance Limited 16 Raffles Quay #01-05 Hong Leong Building Singapore 048581 Malayan Banking Berhad 2 Battery Road #16-01 Maybank Tower Singapore 049907 Overseas-Chinese Banking Corporation Limited 65 Chulia Street OCBC Centre Singapore 049513 RHB Bank Berhad 90 Cecil Street #01-00 RHB Bank Building Singapore 069531

INDUSTRY OVERVIEW

The information presented in this section, unless otherwise indicated, is derived from various official government publications and other publications and from the market research report prepared by Frost & Sullivan, which was commissioned by us. We believe that the information has been derived from appropriate sources and we have taken reasonable care in extracting and reproducing the information. We have no reason to believe that the information is false or misleading in any material respect or that any fact has been omitted that would render the information false or misleading in any material respect. The information has not been independently verified by us, the Sponsor, the Joint Lead Manager, the Underwriter, or any of our or their respective directors, officers or representatives or any other person involved in the International Offering nor is any representation given as to its accuracy or completeness.

SOURCE OF INFORMATION

We commissioned Frost & Sullivan, an independent market research and consulting company, to conduct an analysis of, and to prepare a report on, the space optimisation, logistics services and facility management services market in Singapore, Indonesia, Thailand, Malaysia, Myanmar, the PRC and Hong Kong. The report prepared by Frost & Sullivan for us is referred to in this prospectus as the Frost & Sullivan Report. We paid Frost & Sullivan a fee of HK\$680,000, which we believe reflects the market rate.

Established in 1961, Frost & Sullivan is an independent global consulting firm dedicated to and experienced in conducting industry research and providing consultancy services including market strategies and corporate training. In arriving at the qualitative and quantitative analysis contained in the Frost & Sullivan Report, Frost & Sullivan has conducted both primary and secondary research on the space optimisation, logistics services and facility management services market in Singapore, Indonesia, Thailand, Malaysia, Myanmar, the PRC and Hong Kong, as well as other economic data, which have been quoted in the prospectus.

Primary research involved interviewing and engaging leading industry participants and industry experts in collecting their views on the industry landscape, market trend and forecast. Secondary research was conducted by reviewing company reports, independent research reports and data based on Frost & Sullivan's own research database. The market projection figures were obtained from reviewing and analysing historical data plotted against macroeconomic data, and taking industry-specific drivers into account. The market projections for the forecast period from 2017 to 2021 ("Forecast Period") in the Frost & Sullivan Report were based on two key assumptions and parameters, including (i) the social, economic and political environment is likely to remain stable, and (ii) the key drivers are likely to drive the space optimisation, logistics services and facility management services market in Singapore, Indonesia, Thailand, Malaysia, Myanmar, the PRC and Hong Kong.

Our Directors confirm that there is no material adverse change in the market information since the issue of the Frost & Sullivan Report which may qualify, contradict, misrepresent or otherwise adversely affect the accuracy and completeness of the information in this section in material respects.

INDUSTRY OVERVIEW

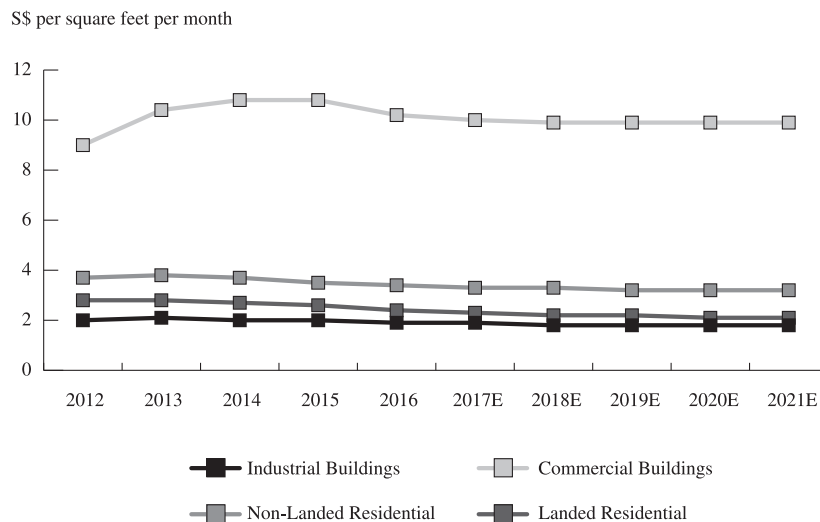
OVERVIEW OF SINGAPORE MACRO ECONOMY

Nominal GDP and Growth

Driven mainly by the development of the domestic manufacturing and service sectors, nominal GDP in Singapore witnessed a stable growth from S\$346.4 billion in 2011 to S\$413.9 billion in 2016, representing a CAGR of 3.6% during this period. It is estimated that nominal GDP in Singapore will increase from S\$413.9 billion in 2016 to S\$496.1 billion in 2021, representing a CAGR of 3.7%.

Property Rental Rate

The monthly rental rate for industrial and residential properties in Singapore has seen a slight drop since 2012, which was attributable to the increase in completions of new properties, higher availability of leasable properties triggered by government's cooling measures on property market (rising additional buyer's stamp duty and sellers' stamp duty on property transactions) as well as price competition in the property leasing market. On the other hand, the rental rate of commercial buildings had witnessed a fluctuation with a moderate growth from 2012 to 2016 due to buoyant demand for office space led by an uprising number of corporations in Singapore. Given the expected economic growth and increase in demand for properties, rental rate is expected to gradually recover during forecast period.



Source: Frost & Sullivan

Manufacturing Output of Refined Petroleum and Chemical Products

The refined petroleum and chemical products industry accounts for approximately 30% of Singapore's manufacturing sector. Manufacturing output of such industry declined from S\$96,515.9 million in 2012 to S\$63,323.1 million in 2016 at a CAGR of (10.0)% led by a drop in the global fuel price.

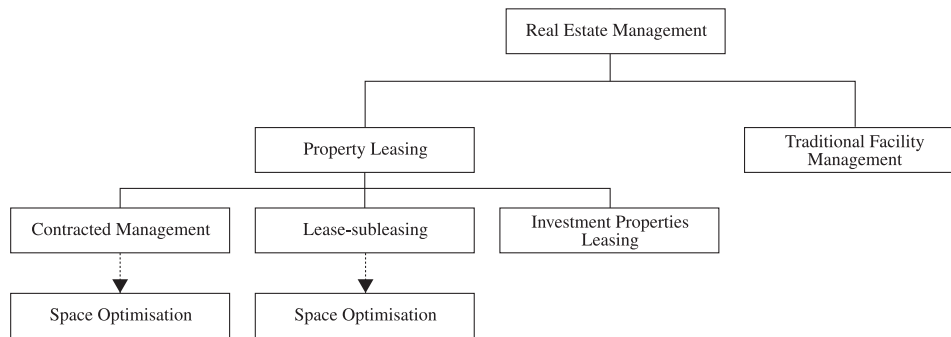
INDUSTRY OVERVIEW

Volume of Container Throughput

At present, Singapore's maritime industry contributes about 7% to the country's GDP. The volume of container throughput in Singapore went through a rapid growth from 31,649,400 TEU in 2012 to 33,869,300 TEU in 2014 but recorded a decline from 30,922,300 TEU in 2015 to 30,903,600 TEU in 2016 as a result of the sluggish demand and overcapacity in the container shipping market. Nonetheless, the Port of Singapore is still the world's second-busiest container port in terms of container throughput, after the Port of Shanghai.

OVERVIEW OF SPACE OPTIMISATION MARKET IN SINGAPORE

Definition and Classification



Real estate management is a broad term describing the practice of controlling, operating and overseeing properties and facilities. Generally, real estate management covers traditional facility management and property leasing which refers to the financial arrangement in which the tenants rent from property owners or its representatives and generate rental income for the owners. As set out in the diagram, property leasing can generally be further divided into three major business models.

1. *Contracted management model*: real estate management company will act on behalf of the property owner to manage tenancy services and lease administration on a commission basis.
2. *Lease-subleasing model*: such model involves the granting of master lease from the landlord/REIT or property owner to a real estate management company for subletting the properties to multiple tenants. The real estate management company then generates revenue from a fixed rent or a certain percentage of income from tenants.
3. *Investment properties leasing*: such model refers to the direct leasing of properties owned by the management company.

Space optimisation refers to a customised process of increasing the availability of usable space (i.e. leasable floor area) of properties, mainly through space planning, re-design, refurbishment, renovation, alternation and addition works, which are usually conducted prior to property leasing. Furthermore, revenue recognised in space optimisation is mainly based on rental income or fixed management fee and the aforementioned works are commonly conducted in lease-subleasing as well as contracted management model with the involvement of real estate management company.

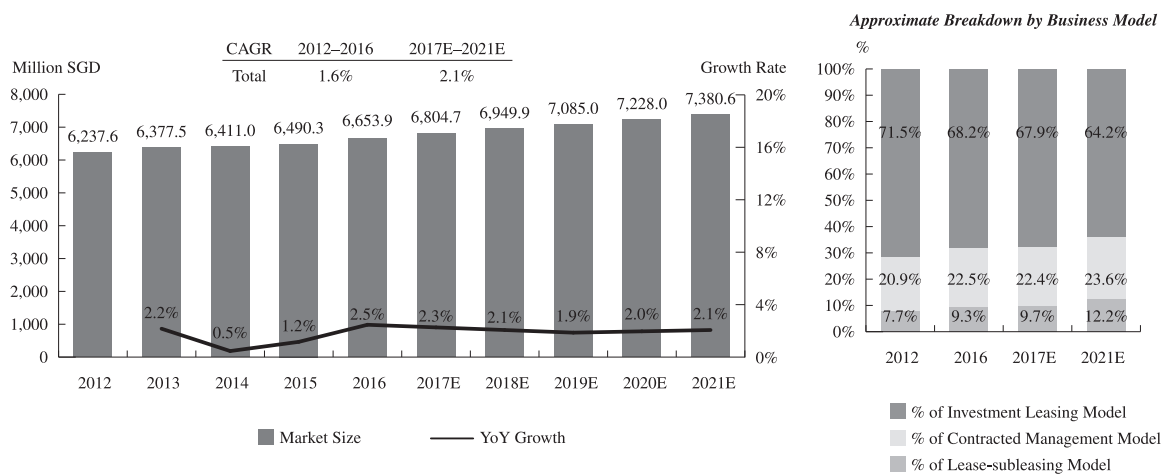
INDUSTRY OVERVIEW

Key benefits of space optimisation include (1) increasing leasable floor area (“LFA”) to achieve higher revenue for owners, (2) transforming old and unused properties into usable ones, (3) reducing the needs for owner to deal with multiple tenants and contribute to lower operational expenses, and (4) strengthening the overall value of properties for owners and tenants.

Market Size

The property leasing market by revenue in Singapore has registered a moderate growth from S\$6,237.6 million in 2012 to S\$6,653.9 million in 2016 at a CAGR of 1.6%, which was mainly attributed to the growth of population and demand for properties. The continuous growth in demand in commercial (e.g. office space) and industrial sectors contribute to the further development of property leasing market in Singapore during the forecast period. The market size of property leasing is expected to grow at a CAGR of 2.1% from 2017 to 2021, reaching S\$7,380.6 million by the end of the period. Revenue generated from lease-subleasing model accounted for approximately 9.3% of the total property leasing market in Singapore, and the market share of lease-subleasing model is expected to reach 12.2% by 2021.

Market Size of Property Leasing by Revenue, Singapore, 2012–2021E



Source: Frost & Sullivan

Market Drivers

Rising number of SMEs

According to the Singapore Department of Statistics, the number of enterprises considered as SMEs witnessed a steady growth from approximately 179,600 in 2012 to approximately 215,600 in 2016, representing a CAGR of 4.7%. Generally, SMEs have a strong preference to set up by renting a small office space or serviced office due to higher cost effectiveness and minimal expenditure on excessive unused space. Hence, an increase in demand for commercial properties space optimisation, particularly for office space is expected.

INDUSTRY OVERVIEW

Structural shift in industrial and factory space

According to Jurong Town Corporation (“JTC”), the total available industrial space (including multiple-user and single user factories, business park and warehouse) increased steadily at a CAGR of 4.1% from 2012 to 2016. Where factory space has undergone a structural shift from single-user towards multiple-user. The growing demand in space optimisation in multiple-user factories is expected to be driven by a rising need for optimised usable space and space planning due to limited land resources in Singapore.

Upcoming transformation programmes in the real estate sector

Stakeholders in the Singapore real estate market are likely to take advantage of the Industry Transformation Maps (“ITMs”) issued by the government, which highlighted a S\$4.5 billion transformation programme covering 23 industries within 6 major clusters and targeting to enhance the productivity and cooperation of stakeholders along the industry value chain, resulting in synergy for development in the real estate sector. The Ministry of National Development of Singapore specifically identified the new growth area and increased value proposition in the ITM for the real estate sector launching in 2017. Specifically, the ITM for real estate sector put an emphasis on raising productivity through application of information technology. According to the Ministry of National Development of Singapore, the government is studying the possibility of streamlining property transactions for HDB’s resale and rentals of private properties with the aid of information communication technology by setting up online portal, which could reduce total transaction time and make sourcing leasable properties more convenient. Other initiatives highlighted in the proposed ITM for real estate sector include potential training opportunities for property agents to improve their skills in customer services, building their own credentials, as well as supporting industry players to develop their competitive edges, identify new areas for growth and potential expansion in overseas markets. Thus, the value-creating space optimisation services may receive a strong support under such transformation programme.

Market Constraints

Potential change of land use by the Singapore government

According to the Singapore Department of Statistics, the number of enterprises considered as SMEs witnessed a steady growth from approximately 179,600 in 2012 to approximately 215,600 in 2016, representing a CAGR of 4.7%. Generally, SMEs have a strong preference to set up by renting a small office space or serviced office due to higher cost effectiveness and minimal expenditure on excessive unused space. Hence, an increase in demand for commercial properties space optimisation, particularly for office space is expected.

INDUSTRY OVERVIEW

Limited pool of experienced talents in the industry

A range of specialised knowledge in space planning, interior design and engineering in individual properties and facilities is required in the work of space optimisation. Space optimisation is a tailor-made service on different client requirements and structural aspects of a particular building or facility. The space optimisation industry faces the challenge of a limited pool of professionals and talents due to the slowdown in employment growth in the real estate services industry.

Market Trend

Shift towards integrated real estate management services

In view of maximising income stream and value for clients, there is a growing trend for space optimisation services providers offering integrated services covering facility management and other value-added services. Such business models will likely offer more value to property owners and landlords in minimising the effort to engage multiple parties for facility management.

Technology for operation and business development

The rise in technology application in software for design and planning is expected to enhance the efficiency for processing and visualising the optimised premises for clients. Further common use of technology applications would simplify the process of client sourcing and properties search by both landlords and tenants.

COMPETITIVE LANDSCAPE OF SPACE OPTIMISATION MARKET IN SINGAPORE

Overview of Market Concentration and Ranking

The property leasing market in Singapore is fragmented with different level of players. As estimated, there are approximately 6,000 companies principally engaged in property leasing in 2016. whereas the property lease-subleasing market is relatively concentrated and estimated to be less than a thousand operators engaging in property lease-subleasing in 2016.

INDUSTRY OVERVIEW

In 2016, LHN Group has a market share of approximately 1.1% in the overall property leasing market in Singapore. In the segment of lease-subleasing properties, LHN Group ranked top with a market share of 11.7% in 2016.

Ranking of Property Leasing Companies (Lease-subleasing model) in Singapore by Revenue in 2016

Ranking	Company	Estimated revenue generated from lease- subleasing properties in 2016 (S\$ million)	Market Share (%)
1	LHN Group	72.6	11.7%
2	Company A	59.7	9.6%
3	Company B	46.5	7.5%
4	Company C	3.5	0.6%
5	Company D	3.4	0.5%
	Top five subtotal	185.6	30.0%
	Others	433.9	70.0%
	Total	619.5	100.0%

Source: Frost & Sullivan

Competitive Factors

Below set forth the key competitive factors of lease-subleasing in the property leasing and space optimisation market.

1. *Master lease:* The ability to secure a master lease is considered as pre-requisite. Bidders are required to submit tender for the specific master lease under government bodies and upon successful bidding is subjected to several factors including quotation, design, planning and scale of operation.
2. *Tenant sourcing:* The competition in space optimisation property leasing market is fierce. Given a wide variety of options in of leasable properties on the market, rental rate, location, view, facilities and equipment are the key in attracting tenants.
3. *Design and planning:* As a core value of space optimisation, leasable properties are usually required to undergo the re-design process, including refurbishment, renovation, alternation and addition works. The capability of transforming old buildings into leasable ones are recognised as key competitive factors in the market.

Entry Barriers

1. *Industry know-how and experience:* Space optimisation requires extensive knowledge in real estate management, capability in identifying potential optimisable properties with potentially high return on investment, in-depth knowledge and experience in sourcing properties, building

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requirement for refurbishment and renovation, financial analysis of cost and return, pricing and negotiation strategy with owners. As a result, new entrants without such knowledge and experience are unlikely to sustain their business in the market.

2. *Capital requirement:* Sufficient capital reserve is a pre-requisite in securing master lease from landlords for subletting, payment for construction contractors to carry out renovation, alternation and fitting-out works. Hence, new market participants with insufficient capital reserve are difficult to carry out such operation.
3. *Stakeholders relationship:* Landlord and master owners usually have preference towards reputable management companies to carry out space optimisation with proven track record and expertise in managing such kind of projects and the ability to attract and manage new tenants. New entrants without connection and scale of operation are difficult to secure business in the market.

OVERVIEW OF FACILITY MANAGEMENT MARKET IN SINGAPORE

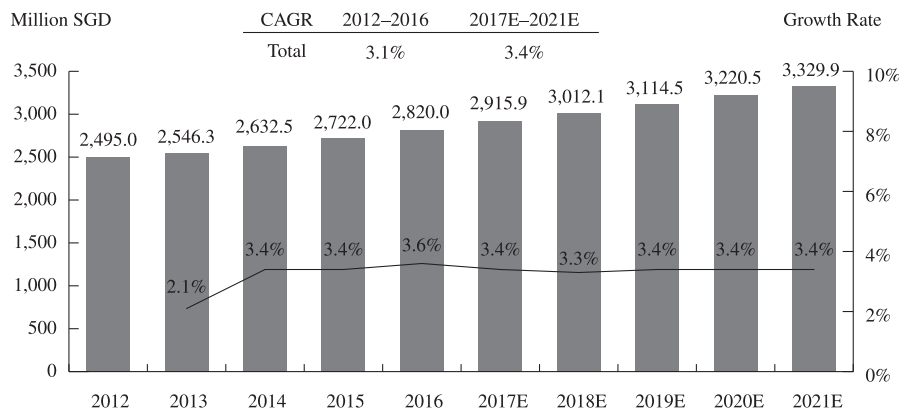
Definition

Facility management generally involve the administration, control, operation and maintenance of a facility in order to preserve the value of that particular facility and achieve satisfaction for users. The aspect of services include janitorial, engineering, repair and maintenance, security, environmental management, landscaping and other value-added services.

Market Size

Driven by the completions of new buildings facilities, the revenue of the facility management services market in Singapore has registered a steady growth from S\$2,495.0 million in 2011 to S\$2,820.0 million in 2016, representing a CAGR of 3.1%. With continuous growth in demand for facility management services and the government’s goal of constructing green buildings, the facility management services market in Singapore is expected to grow steadily at a CAGR of 3.4% during the Forecast Period, attaining approximately S\$3,329.9 million by 2021.

Market Size of Facility Management Service by Revenue, Singapore, 2012–2021E



Source: Frost & Sullivan

Market Drivers

Increase in demand for facility management services

According to the Singapore Department of Statistics, the number of private residential buildings completed has registered a strong growth from approximately 10,300 units in 2012 to over 20,000 units in 2016. Meanwhile, the completion of retail space has demonstrated an overall growth from 92,000 square metres in 2012 to 185,000 square metres in 2016. There is a likelihood for growth in the facility management services market associated with the property development, especially in the retail sector.

Government green building policy

As outlined in the 3rd Green Building Masterplan (“Masterplan”) published by Building Construction Authority (“BCA”), Singapore is driving towards green building construction and a goal of minimum 80% of buildings to be green by 2030. The number of green building projects increased significantly from approximately 1,500 in 2012 to over 2,100 in 2014. With the provision of environmental management services include energy consumption monitoring, waste management as well as landscaping for green buildings, the market is expected to grow along with the green building development policy.

Growing utilisation of properties

In view of the population growth and prosperous tourism industry in Singapore, it is likely to drive up the maintenance and refurbishment expenditure in properties and facilities utilisation. Apart from that, the industrial development and manufacturing sector are expected to drive facility management services, particularly in engineering services sector.

Market Constraints

Higher labour cost

Since the nature of the facility management market is labour intensive, according to the Singapore Manpower Research and Statistics Department, the median gross monthly income of full-time cleaners, labourers and related workers increased from S\$1,082 in 2012 to S\$1,417 in 2016. The increase labour cost implies higher operational cost for facility management service providers.

Market Trend

Provision of integrated facility management solution

Facility management services providers have been putting on high emphasis in enriching their service level and offerings to achieve higher customer satisfaction. Integrated facility management services are expected to be a key trend in the future to maximise efficiency by applying the best technology, energy conservation and safety practices, to minimise overall maintenance costs and contributes to higher adherence to environmental standards as well as building requirements.

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Market consolidation

The facility management services market in Singapore has experienced a consolidation trend in recent years through mergers and acquisitions (“M&A”) of major players. Major real estate solution providers had identified the need to expand their facility management service proposition capability on top of the property management agent role. The consolidation results in an increase in market share and strengthened capability in service quality in the long term.

COMPETITIVE LANDSCAPE OF FACILITY MANAGEMENT SERVICES MARKET IN SINGAPORE

The facility management service market in Singapore is fragmented in terms of the number of players. According to Singapore Department of Statistics, the number of establishment in real estate service sector reached 8,156 in 2015. The facility management service market is featured with a few leading multinational service providers and the estimated aggregated market share of the top five players in the Singapore market was approximately 12.9% in 2016. LHN Group has an approximate market share of 0.4% in facility management service market in 2016.

Entry Barriers

1. *Industry experience:* Facility management service providers are required to demonstrate extensive knowledge and experience in different aspect, including cleaning, environmental management, maintenance and operational support for facilities. Sizable property developers carry strong preference towards services providers with strong track record and portfolio of successfully managed facilities, implying that there is a minimum chance for new market entrants to stand out from the crowd.
2. *Stringent regulatory requirement:* Without the obtainment of relevant licences, new market entrants of facility management service providers are not allowed to offer full scope of services, particularly for general cleaning pest control and engineering services are required to conduct by qualified, registered specialists. As stipulated in the Environmental Public Health (EPH) Amendment Bill, general cleaning service providers are required to be licenced in Singapore.

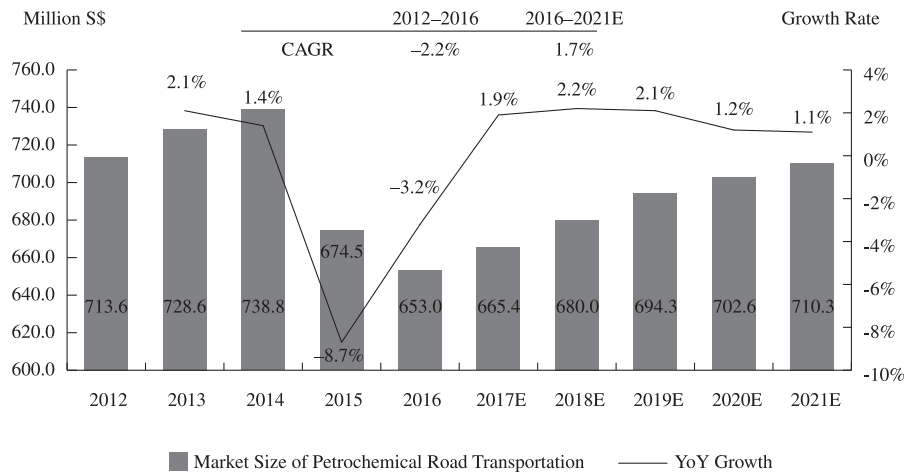
OVERVIEW OF LOGISTICS SERVICES MARKET IN SINGAPORE

Market Size of Petrochemical Road Transportation

The petrochemical road transportation industry in Singapore is mainly supported by the developed petrochemical and logistics industry, and as the world’s leading logistics and chemicals hub, the market size of the Singapore petrochemical road transportation industry decreased from S\$738.8 million in 2014 to S\$653.0 million in 2016. The decline in the recent two years was mainly due to the underperforming petrochemical sector. In the coming years, the market is expected to recover with a CAGR of 1.7% and reach S\$710.3 million mainly driven by the robust demand of petrochemical products from developing countries in Asia.

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Market Size of Petrochemical Road Transportation Industry in Singapore



Source: Frost & Sullivan

Market Drivers of Petrochemical Road Transportation

Well developed petrochemical industry

The petrochemical industry in Singapore is very important for the local economy and generates large demand for petrochemical logistics services. Singapore has become one of the most important shipping centres in Asia and is listed as one of the world's top three oil trading and refining hubs with a total crude oil refining capacity of around 1.5 million barrels per day (bbl/d) in 2016. Multinational oil producers have entered into Singapore, including ExxonMobil, Shell, Evonik, Sumitomo, Rikvin and etc.; and Singapore Petroleum Co., is an example of a home-grown oil giant. Services and facilities provided by chemical logistics parks are comprehensive, including transportation by land/ports/pipelines, warehousing, etc. Gradually, a "Chemical Cluster" has been in Singapore formed by well coordination and integration of these logistics parks and industrial parks. The petrochemical industry and the logistics industry have been working very well in promoting each other.

Outsourcing of logistics processes

The trend of outsourcing internal logistics process to third party logistics service providers creates high demand for petrochemical road transportation services. It has become a trend for petrochemical companies to move towards outsourcing internal logistics processes to streamline their supply chains so they can better focus on their core business and reduce the cost to become more competitive. As a result, petrochemical companies and logistics service providers may form a long-term strategic business cooperation for better development among themselves.

Development Trend of Petrochemical Road Transportation

Ongoing Demand

With the Singapore Government's initiative to establish Singapore as a global integrated logistics hub, demand for road transportation services is expected to grow. The rise in demand for transportation of fuel, petrochemical and specialty chemical products in Asia creates opportunities for the petrochemical road transportation services industry in Singapore.

Technological Advancement

Logistics companies believe that keeping abreast of mechanical or technological advancements is crucial in providing quality service to customers. Their ongoing investment in electronic management systems to increase work efficiency and customer convenience, vehicular upgrades and acquisition of the latest models of transportation and storage vehicles fleet to expand the range of cargo transportable and enhance current work processes to reduce costs.

Definition of Container Depot Management

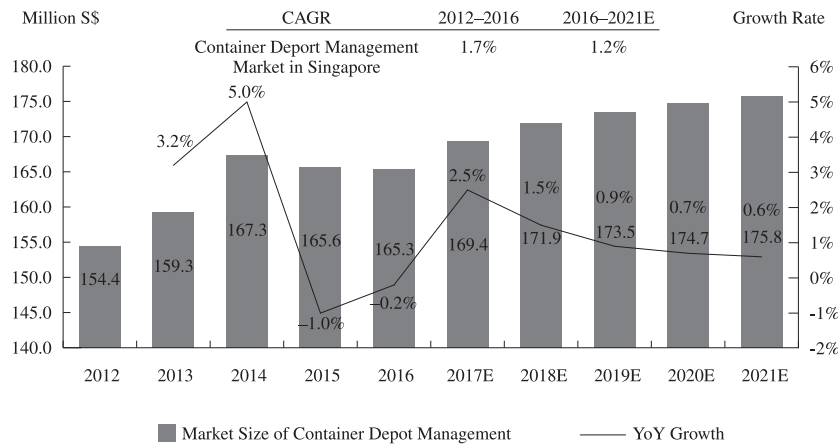
Container depot management refers to the management of containers in the process of entering and leaving the ports of container depots. Services provided by container depot management companies consist of stacking and lifting of containers, container washing, on-site repair and storage. Container depot land providers and container tractor suppliers are the upstream suppliers who provide land and equipment. The major downstream customers are the container users, including shipping lines, importers and exporters.

Market Size of Container Depot Management Market in Singapore

The container depot management market in Singapore grew from S\$154.4 million in 2012 to S\$165.3 million in 2016 at a CAGR of 1.7%. The market is directly affected by the container transshipment market, and the Port of Singapore is the leading container transshipment hub in the world. The decline in market size in recent years is due to the volume decrease of container throughput in the Port of Singapore. In the coming five years, the market is still estimated to grow at a CAGR of 1.2% from S\$165.3 million in 2016 to S\$175.8 million in 2021 due to an expected solid demand generated by port trade.

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Market Size of Container Depot Management Market in Singapore, 2012–2021E



Source: Maritime and Port Authority of Singapore, Frost & Sullivan

Market Drivers of Container Depot Management Services

Singapore's geographical advantage

Singapore's strategic geographical location, efficient customs and simpler trade procedures for port trade have been a powerful driving force for the container logistics market. Located on the southern end of Malay Peninsula, Singapore is connected by 200 shipping lines to 600 ports in 123 countries, with daily sailings to every major port of call in the world. The 190-kilometre coastline features natural deep-water ports, and located close to the Strait of Malacca, which is the main shipping channel between the Indian Ocean and the Pacific Ocean, linking major Asian economies such as India, China, Japan and South Korea. Furthermore, Singapore has been recognised to be business-friendly in import/export procedures, providing high efficiencies in obtaining clearance, documentation and permits for trade of goods. All these factors stimulate the development of port trade in Singapore. In terms of container throughput, the port of Singapore ranked the second worldwide in 2016, just behind the Port of Shanghai. As a result, the large volume of container throughput in Singapore provides solid demand for container depot management services.

Singapore's Port Hub Plan

Singapore continues to invest in port infrastructure to accommodate the future needs of the maritime industry. In 2015, the third and fourth phases of the Pasir Panjang Terminal were opened. When fully operational by the end of 2017, the terminal will be able to handle 50 million TEU annually. The long-term plan is to shift port activities away from Tanjong Pagar and Pasir Panjang to Tuas. The Tuas port will be developed in four phases over 30 years. When completed, it will have the capacity to handle 65 million TEU of containers annually, or more than twice the amount of TEU handled in 2015. Singapore's planned investments will help to keep it ahead of the competition. As a result, the expected growing volume of container throughput will benefit the container depot management industry.

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Development Trend of Container Depot Management Services

Business expansion to Neighbourhood Countries

Many container depot management service suppliers in Singapore are planning to expand business operations into countries such as China, Malaysia, Thailand and Vietnam through strategic partnerships, acquisitions or joint ventures. Despite economic uncertainties, the ASEAN countries, India and China are still expected to experience fast-paced growth over the next few years. These companies believe that such expansions will give them access to new business opportunities.

Technology Advancement

Container depot management services are dependent on the electronic management system. Intelligent management system is being applied to automate depot operation, manage maintenance and repair operations.

COMPETITIVE LANDSCAPE OF LOGISTICS SERVICES MARKET IN SINGAPORE

Overview of Market Concentration and Ranking in Petrochemical Road Transportation Market in Singapore

Logistics service industry contributed 9.4% of Singapore's GDP and employed over 180,000 workers in 2016. According to Statistics Singapore, 5,250 companies were involved in land transport and supporting services. But the number of companies capable of providing petrochemical road transportation services is limited since the transportation of dangerous and inflammable petrochemical products poses a high regulation barrier.

Hence, the market concentration level of petrochemical road transportation in Singapore is relatively high. The top five service providers accounted for 25.7% of the total market share in 2016.

<u>Ranking</u>	<u>Company</u>	<u>Estimated Revenue in Petrochemical Road Transportation</u> (S\$ million)	<u>Share</u> (%)	<u>Fleet Size</u>
1	Company E	83.1	12.7%	184 prime movers; 1,400 trailers
2	Company F	34.2	5.2%	230 prime movers; 700 trailers; 200 road tankers
3	Company B	21.3	3.3%	100 prime movers; 400 trailers
4	Company G	20.4	3.1%	80 prime movers; 400 trailers
5	LHN Group	9.1	1.4%	43 prime movers; 134 trailers; 15 road tankers
	Top five subtotal	168.1	25.7%	
	Other	484.9	74.3%	
	Total	653.0	100%	

Source: Frost & Sullivan

Entry Barriers

- (1) Regulation Barrier — New entrants have to comply with a series of strict government regulations for their business operation. Compared with transportation with general purpose, petrochemical transportation is highly specialised. Since most petrochemical products are flammable, explosive, toxic and corrosive, any potential accidents will threaten the safety of citizens. As a result, the government set strict requirements on petroleum storage and transportation. New entrants are required to comply with specific laws pertaining to the transport of hazardous substances under the Environmental Protection and Management Act (EPMA), the Environmental Protection and Management (Hazardous Substances) Regulations (“EPM(HS)R”), and the Singapore Civil Defence Force (SCDF), etc.
- (2) Capital Barrier — Petrochemical products are highly dangerous which demand special storage and transportation equipment. Petrochemical companies require large amount of investment in equipment and vehicles to achieve economies of scale. Consequently, capital investment in specialised equipment, vehicles and professionals set the barrier for new entrants.
- (3) Labour Barrier — According to the regulations of SCDF, petrochemical transportation drivers required to go through Hazardous Materials Transport Driver Re-Certification Test and registered in the Hazardous Materials Transport Driver Permit (HTDP) Scheme and the Driver’s Identity Verification System. Therefore, it is difficult for new entrants to build a team of qualified and experienced drivers in an early stage.

Overview of Market Concentration and Ranking in Container Depot Management Market in Singapore

The Port of Singapore is one of the busiest container transshipment hubs in the world. In 2015, around 3,337 companies were engaged in water transport and supporting services. The Port of Singapore ranks 2nd worldwide in terms of container throughput, which provides a strong demand for Singapore’s container depot management service.

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The level of market concentration in Singapore's container depot management market is relatively high. The top 5 players accounted for 43.2% of the total market share in 2016. Since the limited port area does not allow too many players in the market, the number of independent container depot management service providers is limited in Singapore.

<u>Ranking</u>	<u>Company</u>	<u>Estimated Revenue in Container Depot Management</u> (S\$ million)	<u>Share</u> (%)	<u>Capacity</u> (TEU)	<u>Area</u> (Square Metre)
1	Company B	23.1	14.0%	30,000	n/a
2	Company H	16.4	9.9%	n/a	89,030
3	Company G	15.5	9.4%	15,200	119,000
4	Company I	10.2	6.2%	n/a	n/a
5	LHN Group	6.3	3.8%	6,200	n/a
	Top five subtotal	71.5	43.3%		
	Other	93.8	56.7%		
	Total	165.3	100%		

Source: Frost & Sullivan

Entry Barriers

- (1) **Capital Investment** — Container depot management service requires significant capital investment. In terms of initial capital investment, it is necessary for operators to purchase container tractors, container semi-trailers and other related equipment, thus, setting a high capital requirement barrier for new entrants.
- (2) **Skilled Labour Force** — Container depot management composed of a wide variety of mechanical operations which require skilled and experienced labour to carry out a full spectrum of the services. It is relatively difficult for new entrants to build up a skilled team in a short period of time. Therefore, skilled labour force is regarded as a major barrier for new entrants.
- (3) **Industry Experience** — The container depot management services market is regional-based and highly concentrated. Most regional players have rich industry experience and proficient in equipment and staff allocation, and consist of long-term relationship with customers. New entrants will find it difficult to acquire customer relationships and industry experience in a short period of time.

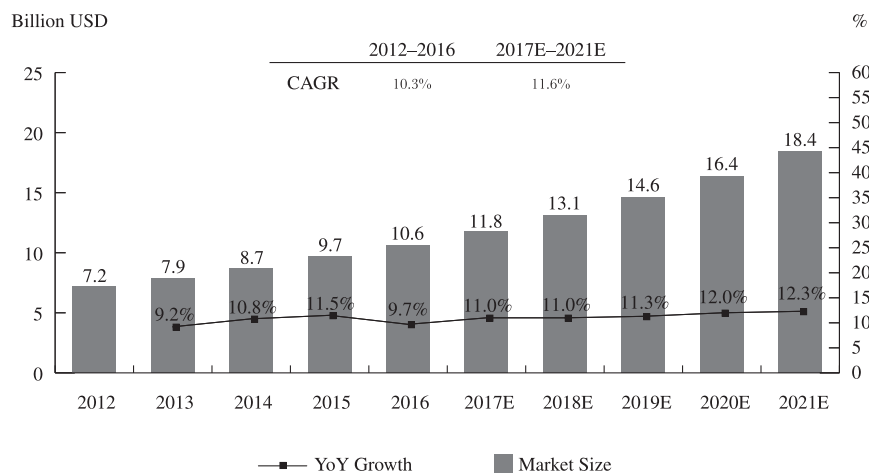
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OUTLOOK OF SPACE OPTIMISATION, FACILITY MANAGEMENT AND LOGISTICS SERVICES MARKET IN SELECTED REGIONS

Overview of Property Leasing and Space Optimisation Services Markets in Indonesia

With the increase in property supply and foreign investment in the real estate sector, the property leasing market in Indonesia increased from USD7.2 billion in 2012 to USD10.6 billion in 2016, representing a CAGR of 10.3%. Driven by the continuous building construction and higher income level in the country, the market size of property leasing is anticipated to grow at a CAGR of 11.6% during the Forecast Period, reaching USD18.4 billion by 2021. The growing property leasing market also ensures the expansion of the space optimisation market in the country.

Market Size of Property Leasing by Revenue, Indonesia, 2012–2021E



Source: Frost & Sullivan

Despite the slowdown of property market in Jakarta in 2015, property leasing and space optimisation sector in Indonesia has potential growth opportunities, mainly attributable to the increasing urban population, higher income level and the rise of real estate investment from overseas companies. Particularly, the Indonesia government has introduced several measures as part of the ongoing economic stimulus packages to boost the real estate sector. Key measures related to property sector include: (1) the introduction of government regulation no. 103/2015 to ease foreign property ownership in Indonesia, (2) elimination of tax of dividends and final sales tax for REIT to increase the yield spread compared with other countries in the region, which may serve as tax incentives to promote REIT development in the country which benefits the property leasing business, particularly for operational investment properties such as hotels and resorts.

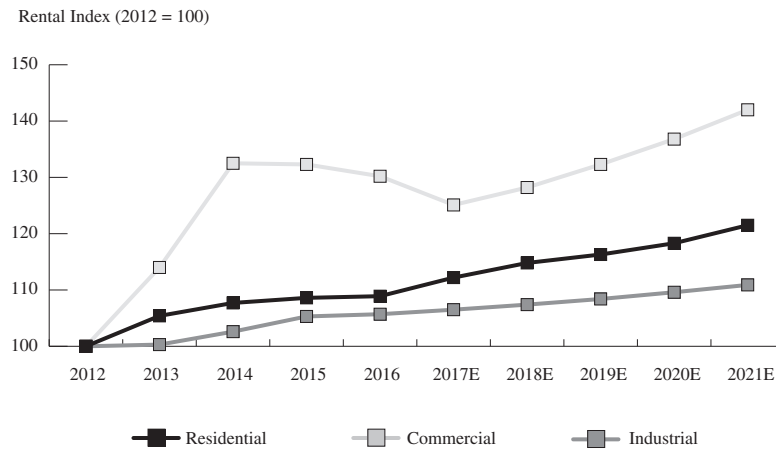
For the development trend in vertical sectors, residential and retail sectors are in rapid expansion due to strong demand for accommodation in view of the urbanisation trend and rising population, higher purchasing power of the population, as well as limited supply of residential and retail space. The number of large and medium manufacturing establishments is estimated to increase from 23,698 in 2013 to 25,249 in 2015 and, during the same period, the expenditure on rent of building, machinery and equipment in the sector increased from 20,985 billion Rp in 2013 to 25,782 billion Rp in 2015. The rising trend in the number of establishments and spending on rent

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have further secured the growth of property leasing as well as space optimisation services in the industrial sector. Demand for commercial and office space is also indicated by the anticipated increase in the number of establishments. According to the Central Statistics Agency of Indonesia (BPS), there were 4 to 6 million new business enterprises during 2006 and 2016 with a total number of approximately 26 to 29 million enterprises operating in the country and most are engaged in trade and service sectors.

Similar to some of the other countries in Southeast Asia, the market of property leasing in Indonesia is fragmented with many local companies engaged in leasing for residential properties.

Below sets forth the historical and forecast rental index in Indonesia:



Source: Frost & Sullivan

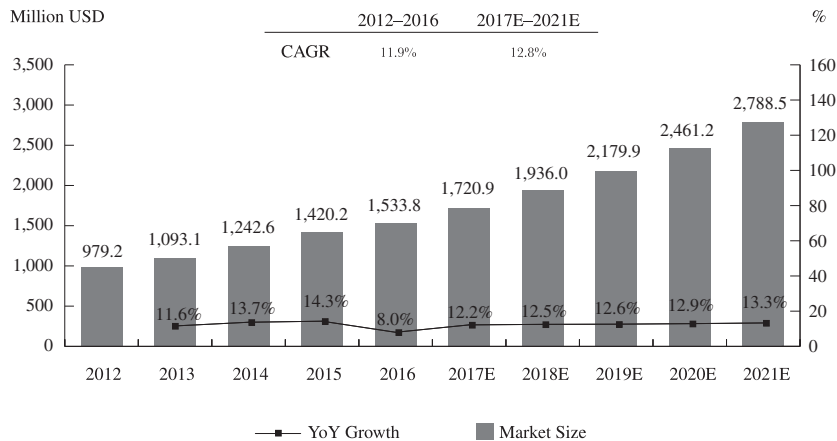
For the office property market in Jakarta, the central business district (“CBD”) of Jakarta has seen a surge in supply of office space during recent years with approximately more than 700,000 sq.m in 2017. The rise of new supply in core areas of CBD led to decrease in occupancy and rents of office space during 2016 to early 2017 due to continued competition among CBD properties and some landlords have lowered rents to attract tenants. On the other hand, the occupancy rate and the rents in non-CBD locations such as North Jakarta remain relatively stable during the same period of time. With the estimated completions of office space in South Jakarta (approximately 350,000 sq.m during 2016 to 2020) and a high volume of new supply targeted for completions during 2016 to 2017 in this area, the occupancy levels and rents may see a potential decrease in the short term, followed by a recovery in 2018 with a potential growth due to (1) lower volume of completions from 2018 onwards and (2) sustained demand for office space from various local firms without the need to set up their office in prime locations. The declining trend of rental rates in CBD is expected to continue in the coming few years due to (1) continued competitions of office space within CBD and (2) a growing competition for office space between CBD and non-CBD locations, as some tenants may relocate depending on their cost and space requirement.

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Overview of Property Leasing and Space Optimisation Services Markets in Myanmar

With the rising demand for accommodation and inflation, the property leasing market in Myanmar increased from USD979.2 million in 2012 to USD1,533.8 million in 2016, representing a CAGR of 11.9%. Following the continuous infrastructure development and increase in the proportion of urban population, the market size of property leasing is expected to increase further at a CAGR of 12.8% during the Forecast Period, reaching USD2,788.5 million by 2021. Hence, the growth of the property leasing market underpinned the expansion of space optimisation service market.

Market Size of Property Leasing by Revenue, Myanmar, 2012–2021E



Source: Frost & Sullivan

Demand for property in Myanmar, particularly in Yangon, has seen a robust growth due to the growing number of foreign companies setting up regional offices in the country and expatriates with the preference of living in high-end residences. Hotels, condominiums and serviced apartments are on the rise in Myanmar as indicated by the increasing construction activities for these properties. According to the Myanmar Directorate of Investment and Company Administration, the approved amount of annual foreign investment in the real estate industry increased significantly from USD440.6 million in 2013–14 to USD747.6 million in 2016–17, which highlighted the strong focus on the infrastructure and property development in Myanmar. Meanwhile, according to the Myanmar Central Statistical Organisation, real estate development was the largest sector among the permitted enterprises under the Union of Myanmar Citizens Investment in 2014–2015. As such, the property leasing and space optimisation market will likely be driven up given the enlarging pool of property base in the country.

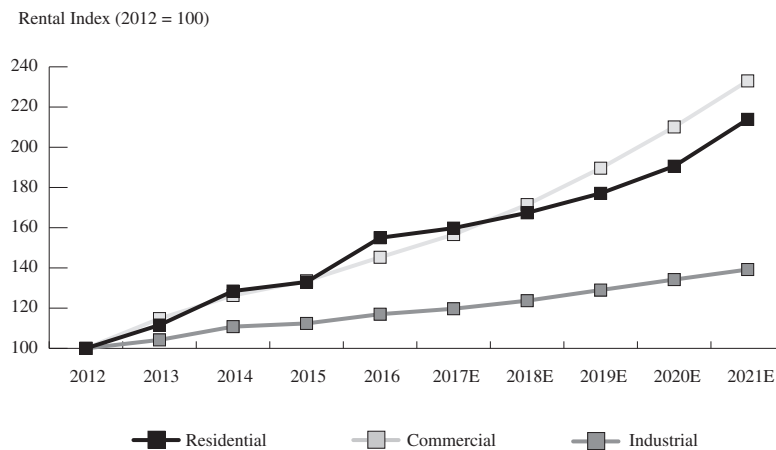
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Additionally, according to the Asian Development Bank, the inflation rate in Myanmar is estimated to reach 8.5% in 2017, which is the highest among other Southeast Asia countries. The high inflation rate indicates the strong domestic demand and shortfall in supply. It benefits property leasing companies and those who are capable of delivering space optimisation services in terms of rental rate and occupancy rate. Furthermore, after enactment of the implementing rules of the new Condominium Law, 40% foreign ownership of a building will be permitted. The new legislation encouraged foreign investment in the real estate market in Myanmar and the rental rate is expected to maintain at a high level.

Diversification of properties is also a key development trend in Myanmar as the supply of low-to-mid end residential properties and accommodations in the country is relatively low when developers have shifted their focus on developing lucrative luxury building units over the past few years. According to the United Nations Development Programme, poverty population accounted for 26% of the total population in the country as in 2014. Thus, there is still a great potential for development of property and related leasing as well as space optimisation business in the mass market. Moreover, the expansion of property market is also in line with the growing urbanisation rate on the national level and more properties to be developed in other cities apart from Yangon.

The market competition of property leasing and space optimisation services is relatively lower than other developed economies in Southeast Asia, granting the market for prime locations and sizable high-end properties is dominated by some foreign players operating on a global scale. With industry recognition, technical knowledge and capital reserve, those players are capable of delivering a full range of real estate management service including leasing management as well as facility management services. Space optimisation is considered as a niche market in Myanmar as the majority of local companies are engaged in property leasing only.

Below sets forth the historical and forecast rental index in Myanmar:



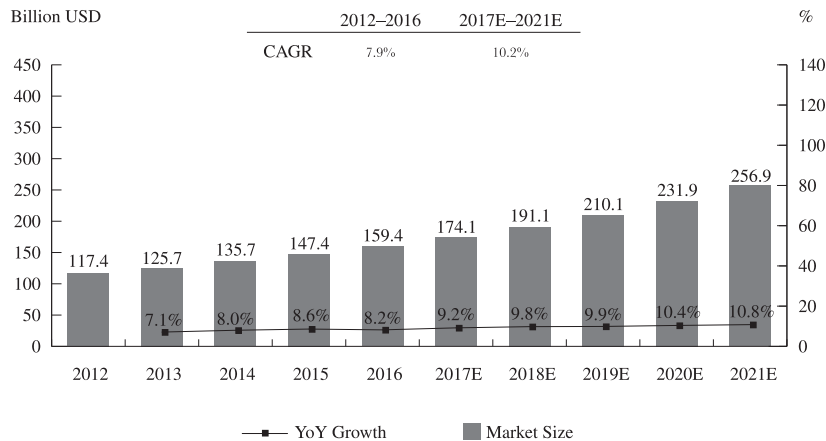
Source: Frost & Sullivan

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Overview of Property Leasing and Space Optimisation Services Market in the PRC

The market size of property leasing in the PRC witnessed a rapid growth from USD117.4 billion in 2012 to USD159.4 billion in 2016, representing a CAGR of 7.9%. The growth was mainly attributable to higher urban population, income level and spending power that contribute to higher rental cost on residential properties. During the Forecast Period, the property leasing market in the PRC is expected to grow continuously at a CAGR of 10.2% and attain USD256.9 billion by 2021. Similarly, the space optimisation market is likely to expand with the enlarging property leasing market.

Market Size of Property Leasing by Revenue, the PRC, 2012–2021E



Source: Frost & Sullivan

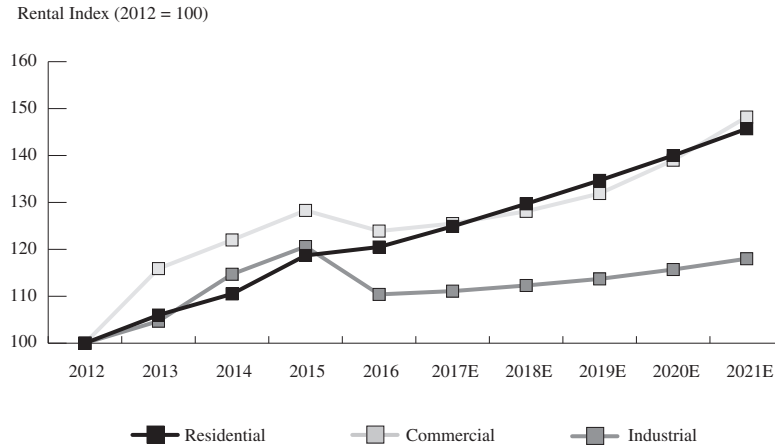
The economy in PRC has been driven by rapid urbanisation and industrialisation in recent years. In addition, according to the National Bureau of Statistics of China (“NBS”), the disposable income of urban residents in the PRC increased from RMB26,467 in 2013 to RMB31,194.8 in 2015. During the same period, the urban consumption expenditure also grew from RMB18,487.5 in 2013 to RMB21,392.4 in 2015. Surging income level and consumption highlight the spending power of residents in the PRC in different aspects, including purchasing and renting properties for living. Meanwhile, driven by the increasing income level and the overall living standard, there is a growing demand in the country for higher quality living and a well utilised space in properties, which underpinned the penetration of space optimisation services. According to NBS, the real estate investment in more than billion yuan projects increased from RMB3,321.1 billion in 2012 to RMB5,361.1 billion in 2015, while those below ten million yuan projects decreased from RMB4.5 billion in 2012 to RMB1.1 billion in 2015, highlighting the shift towards sizable real estate projects.

Supportive policies to property leasing market have been issued by the PRC government to promote living in properties for residents in the PRC, including the publishing of “the General Office of the State Council’s Opinions on Accelerating the Development of Housing Rental Market”) (《國務院辦公廳關於加快培育和發展住房租賃市場的若干意見》) in 2016 and specific arrangements for housing systems on the 14th meeting of the Financial Work Leading Group (中央財經領導小組).

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The property leasing market and space optimisation market in the PRC are considered fragmented. Some of the sizable property developers may also undertake the leasing and optimisation business through their subsidiaries. According to NBS, the number of enterprises in real estate development increased from 89,859 in 2012 to 93,426 in 2015. Key factors of competition in the market include reputation, industry knowledge and capital reserve as market participants are often required to make substantial investment to secure the assets, i.e. the properties prior to optimisation and leasing.

Below sets forth the historical and forecast rental index in the PRC:

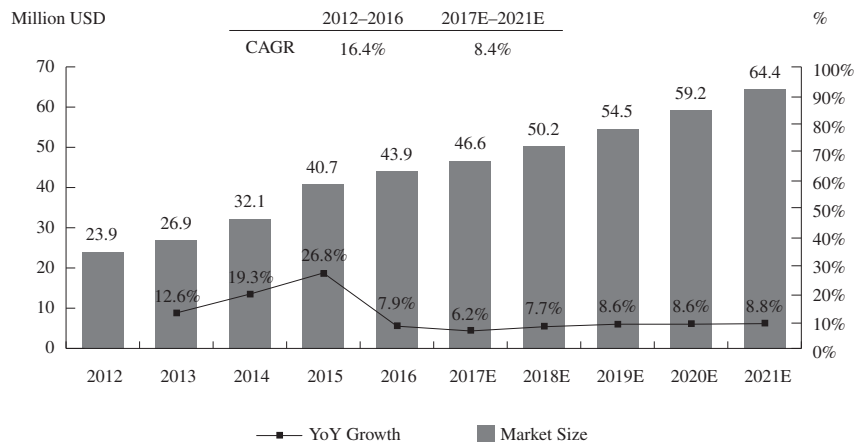


Source: Frost & Sullivan

Overview of Serviced Apartment Leasing Market in Cambodia

The market size of serviced apartment leasing by revenue in Cambodia increased from approximately USD23.9 million in 2012 to USD43.9 million in 2016, representing a CAGR of 16.4%. Driven by the foreign investment, rising income level and increasing supply of serviced apartment, market size of serviced apartment leasing by revenue in Cambodia is expected to grow at a CAGR of 8.4% during 2017 to 2021, reaching USD64.4 million by 2021.

Market Size of Serviced Apartment Leasing by Revenue, Cambodia, 2012–2021E



Source: Frost & Sullivan

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Growth of Cambodia serviced apartment market is supported by (i) economic growth, (ii) increase in foreign asset and investment and (iii) expansion of tourism sector. Nominal GDP of Cambodia grew from approximately USD14.1 billion in 2012 to approximately USD19.4 billion in 2016, representing a CAGR of 8.3%. According to IMF, the nominal GDP is expected to increase at a CAGR of 8.5% during 2017 to 2021. With abundance of low-cost labour and rapid urbanisation, Cambodia attracts foreign companies to set up office and operation site. According to National Bank of Cambodia, the net foreign assets in Cambodia demonstrated a growth from approximately KHR18.2 trillion in 2012 to approximately KHR40.3 trillion as in June 2017. The integration into ASEAN Economic Community (AEC) in 2015 with free flow of trade and influx of skilled labour encourages foreign direct investment in Cambodia. Furthermore, according to Ministry of Tourism of Cambodia, number of international tourist arrivals increased from approximately 3.5 million in 2012 to approximately 5.0 million in 2016. The favourable economic condition and growth of foreign assets in Cambodia reflected the potential demand for serviced apartment in the country which offers convenience and cozy living environment for target residents including expatriates and long term tourists in the country as expatriates tend to prefer high-class and long-term accommodations such as serviced apartments and condominiums. Service and facilities are key differentiators between serviced apartments and condominiums and serviced apartments become more popular during recent years.

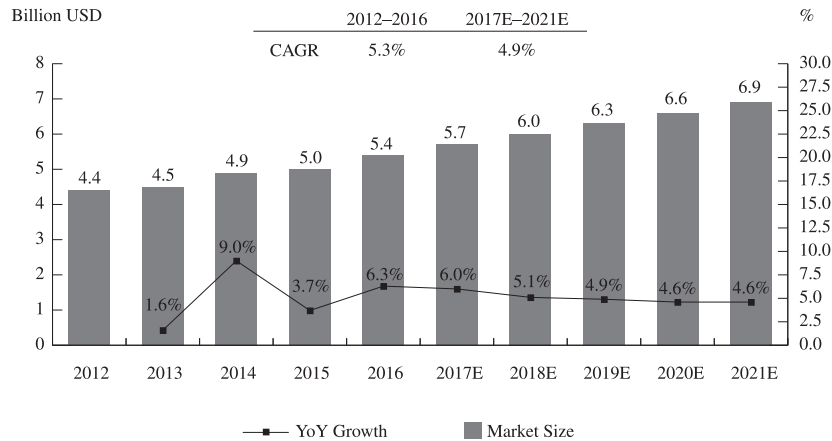
Key trend of serviced apartments market in Cambodia includes (i) upgrade of facilities such as swimming pool, bars and restaurants, and service offerings such as in-house spa, cleaning and laundry services, as well as (ii) diversifying types of serviced apartments as some apartments are available at a competitive price with flexible accommodation plan from one night to full year, while some providers offer customised, specially-designed units and target affluent tenants. Furthermore, online promotion is commonly adopted by serviced apartment providers and property agents to attract potential tenants.

Serviced apartments in Cambodia are geographically concentrated in Phnom Penh, the capital and highly populated city of Cambodia. As estimated, there were approximately 200 serviced apartment buildings in Cambodia with a total supply of approximately over 6,000 units in the market in 2016, while Phnom Penh accounted for approximately over 80% of total supply in Cambodia. Market competition of serviced apartments in Cambodia becomes increasingly keen in terms of (i) price — serviced apartments can be segmented into high-end, mid-end and mass market based on average rental price per sq.m, (ii) service offerings — comprehensive services and facilities are generally favourable for tenants and (iii) location — prime location is usually preferred for expatriates with their workplace close to business center. As estimated, there will be a new supply of serviced apartments of approximately over 1,000 units by the end of 2018.

INDUSTRY OVERVIEW

Market Size of Facility Management Services Market by Revenue, Hong Kong, 2012–2021E

Facility management service market in Hong Kong showed a growth from USD4.4 billion in 2012 to USD5.4 billion in 2016, representing a CAGR of 5.3%. The growth was mainly attributable to the supply of new buildings and renovation projects for facilities in the market. With the rise in land supply for property development, the facility management service market is expected to maintain a growing trend at a CAGR of 4.9% during 2017 and 2021, reaching USD6.9 billion by the end of 2021.



Source: Frost & Sullivan

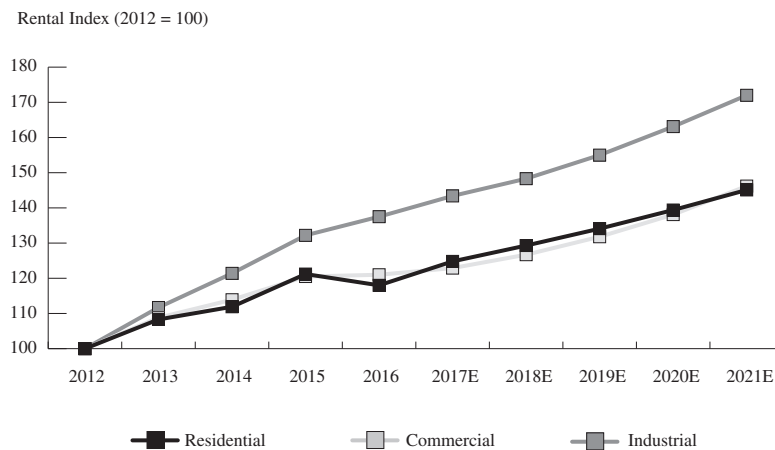
As one of the leading financial centres in the world, Hong Kong is considered as one of the largest and mature markets for facility management services in Asia due to the high number of foreign countries establishing their regional offices or headquarters in the city. Development of facility management service market in Hong Kong is mainly underpinned by the increasing supply of residential and commercial buildings, rising awareness towards maintenance of facilities and the upgrade of industry standards. The planned construction activities for building and facilities create opportunities for facility management business. On the other hand, when considering some of the major incidents associated with buildings and facilities, including the collapse of green roof at the City University of Hong Kong in 2016 and malfunctioning escalators and elevators in large shopping malls during 2015 and 2016, facility management services are expected to become more important due to higher awareness towards maintenance works and preventive measures through regular inspection of facilities which are part of facility management services. In addition, diversification of service offerings, advancement of technology, and the emergence of green building are the other key trends recognised in the industry.

The facility management service market is considered as fragmented. According to C&SD, the number of establishments in real estate maintenance management reached 1,959 in 2015. The top industry players in Hong Kong are usually capable of offering a wide variety of services including property and facility management, repair and maintenance, environmental hygiene services, clubhouse and car park management, etc. in order to gain market share in the competitive environment.

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The approval of licencing regime may contribute to the upgrade of facility management service market in Hong Kong. As prescribed by the Property Management Services Bill which was passed in Legislative Council in 2016, a two-tier licencing system was introduced, which complies of licencing property managers (Tier 1) and licenced property officers (Tier 2). Facility management service providers are required to maintain certain number of licenced staff in order to comply with the regulatory requirement and thus market players may compete for licenced practitioners and lead to higher expense on employing staff. The implementation of such licencing regime may affect those small scaled players who are unable to fulfill the minimum requirement of the number of licenced staff, which may lead to potential market consolidation among low end facility management service providers.

Below sets forth the historical and forecast rental index in Hong Kong:



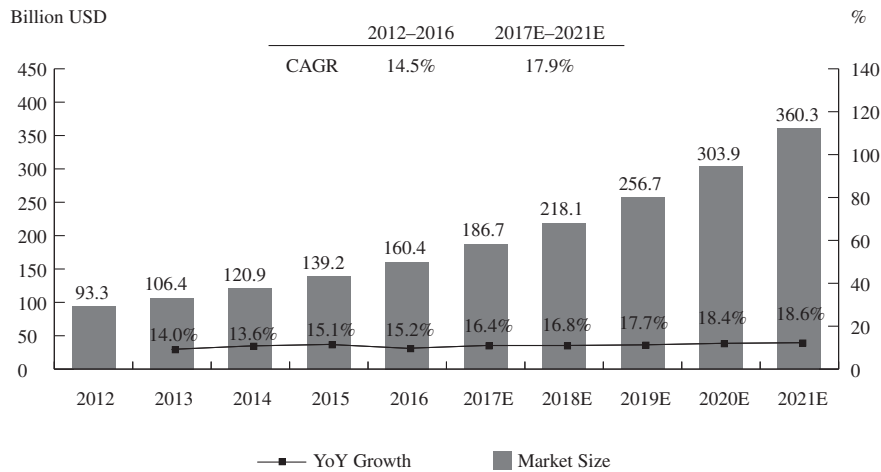
Source: Frost & Sullivan

Overview of Facility Management Services Market in the PRC

The market size of facility management service in the PRC demonstrated a robust growth from USD93.3 billion in 2012 to USD160.4 billion in 2016, representing a CAGR of 14.5%. The growth was mainly attributable to the increasing pace of urbanisation as well as awareness towards the importance of facility management services. As driven by the rising demand, facility management services market in China is estimated to increase at a CAGR of 17.9% during the Forecast Period, attaining USD360.3 billion by 2021.

INDUSTRY OVERVIEW

Market Size of facility management Services Market by Revenue, the PRC, 2012–2021E



Source: Frost & Sullivan

Facility management service market in China is at the fast-growing stage with huge development potential, which is mainly attributable to rapid urbanisation, the exploding property market as well as growing emphasis on the value of the facility management service offerings. In addition, with higher land reserve for the development of urban area, the properly market is expected to expand. According to NBS, the land supply for urban construction increased from approximately 45,750.7 square kilometres in 2012 to 51,584.1 square kilometres in 2015, implying the potential growth of urban area and also the penetration of facility management services.

Growing awareness towards preservation of the value of facilities, higher income level and thus higher living standard are key factors contributing to the growth of the facility management service market. The current adoption level of facility management services is relatively low in the country especially in rural areas. Most of the demand for professional facility management services is geographically concentrated in first-tier cities (i.e. Beijing, Shanghai, Guangzhou and Shenzhen). In view of the issue of pollution generated from buildings, a growing focus on sustainability, waste management and energy consumption are expected to become the key trends in the facility management services market. Additionally, the initiatives of the government to construct the Smart City and the emergence of Internet-of-Things may drive the adoption of technology as well as improve the operation efficiency in facility management services. Specifically, the Ministry of Housing and Urban-Rural Development (住房城鄉建設部) issued “13th Five-Year Plan for Housing and Urban-Rural Development Business” (《住房城鄉建設事業“十三五”規劃綱要》) to promote service level of facility management and development of green buildings.

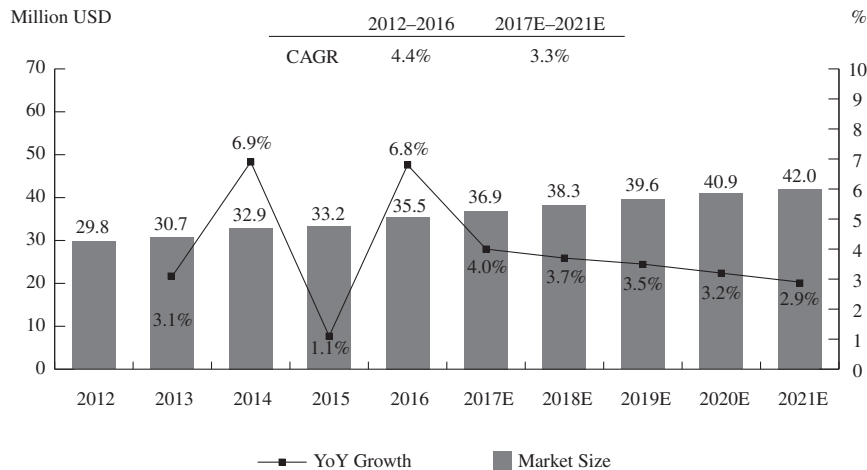
The facility management services market in the PRC is highly fragmented. According to the China Property Management Institute, there were approximately 105,000 facility management services companies in the PRC in 2014. The majority of companies operated on the regional or local scale and only a few are capable to operate on a national scale. The market also features a relatively small number of foreign facility management services providers offering more comprehensive facility management services.

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Overview of Logistics Services Market in Thailand

The market of container depot management service in Thailand grew from USD29.8 million in 2012 to USD35.5 million in 2016 at a CAGR of 4.4%. Trade is the lifeblood of the Thai economy, with exports of goods and services accounting for almost 70% of the country's economic output. This compares to the global average of just 30%. Therefore, the prosperous international trade will help provide solid demand for logistics services. In addition, water transport is an important logistics segment for Thailand. Thailand has a coastline of 3,219 km with over 4,000 km of water ways, and Laem Chabang Port is among the top 25 leading ports worldwide. As such, the related service market like container depot management service will benefit from the growth of water transport market, which is estimated to grow at a CAGR of 3.5% in the coming five years.

Market Size of Container Depot Management Market in Thailand, 2012–2021E



Source: Frost & Sullivan

Thailand's container depot management service market is mainly driven by growing amount of export. Since the economy heavily relies on exports, which constitute around 70% of the country's economic output. With exports expected to strengthen in 2017 as global economic conditions improve, the outlook of Thailand's container depot management service market is promising. In addition, export of Thailand also benefit from strong regional growth, with the ten ASEAN nations (including Malaysia, Vietnam, Singapore and etc) making up a further 25% of the country's exports. Thai exports are expected to benefit from the government's increasing commitment to free market principles. This should allow the country to continue leveraging its large, low-cost labour force to manufacture and export a wide variety of goods to a diverse range of partners. Water transport played an important role in Thailand in export of goods through several ports including Bangkok, Laem Chabang, Map Ta Phut, Ranong, Phuket and etc. As result, the port related service like container depot management service will benefit from the growing demand of export through these ports.

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The Port Authority of Thailand has implemented an expansion plan of ports in Thailand. The largest port, Laem Chabang, has undergone two phases of development so far and the third phase of construction is undergoing. Currently, the two phases of expansion can accommodate 10 million TEU. After the third phase is completed, the total capacity of TEU will reach 18 million TEU. The expansion plan is expected to be completed in 2019 to accommodate the rapid growth of Thailand's seaborne trade, which will make Laem Chabang a main gateway port of the Greater Mekong Sub Region Trade. The expanded ports will increase the capacity of TEU, which will help to drive the container depot management market.

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Save for the laws and regulations that are material or specific to our business as disclosed below, as at the Latest Practicable Date, our business is not subject to any particular laws or regulations of Singapore, Indonesia, Thailand, Myanmar, Hong Kong and the PRC other than those generally applicable to companies incorporated and/or operating in the respective jurisdiction.

OVERVIEW OF SINGAPORE LAWS AND REGULATIONS

Regulations Governing Space Optimisation Business

In relation to our space optimisation business, as the Urban Redevelopment Authority of Singapore, or URA, regulates land use in Singapore, we are required to apply to the URA for permission in a case where we require changes in the designated use of a development site for the purpose of our projects. In the event that the development site is owned by JTC, a Singapore statutory board, or HDB, the lead government agency responsible for the development of industrial infrastructure to support and catalyse the growth of industries and enterprises in Singapore, we are also required to obtain approval in respect of the development from JTC or HDB respectively.

We must also comply with the Fire Safety Act (Chapter 109A) of Singapore, or FSA, in relation to any proposed fire safety works to be commenced or carried out. Fire safety works means fire protection works, fire safety measures, relevant pipeline works or minor works. An application must be made to the Commissioner of Singapore Civil Defence in accordance with the regulations made under the FSA for the approval of the plans of the fire safety works. Before making such an application, we must appoint (a) where the plans or any part thereof contain any alternative solution (i) an appropriate qualified person who is a fire safety engineer to prepare those plans or that part thereof containing the alternative solution, or a fire safety engineer to supervise a qualified person to prepare those plans or that part thereof; and (ii) another fire safety engineer as a peer reviewer to review and assess whether the alternative solution therein satisfies the fire performance requirements in the Fire Code 2013 issued by the Commissioner of Singapore Civil Defence; or (b) in any other case, an appropriate qualified person to prepare the plans of those fire safety works.

As the properties under our portfolio are mostly located in Singapore, we would be affected by any change in government regulations, policies or master plans of Singapore by authorities such as the URA, the Land Transport Authority of Singapore and NEA. See also “Risk Factors — Risks Relating to Our Industries — We are affected by changes in laws and government regulations in countries we have presence in” for further details.

Regulations Governing Facilities Management Business

Licensing of Builders

The construction industry in Singapore is regulated by the Building & Construction Authority of Singapore, or BCA, whose primary role is to develop and regulate Singapore’s building and construction industry. The Building Control Act (Chapter 29) of Singapore, or BC Act, and the Building Control (Licensing of Builders) Regulations 2008 set out the requirements for the

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licensing of builders. Builders who undertake all building works, where plans are required to be approved by the BCA and those who undertake works in specialist areas, which have a high impact on public safety and require specific expertise, skill or resources for their proper execution, have to be licensed by the BCA. The aim of the licensing regime is to raise professionalism among builders by requiring them to meet minimum standards of management, safety record and financial solvency and to ensure that building works are carried out only by builders with experienced key personnel to manage the business and properly qualified technical personnel to supervise the execution of the works.

Builders may be licensed under two registers, each of which are renewable on a three yearly basis. The two registers are the General Builder Register and the Specialist Builder Register. Under the General Builder Register, there are two classes. General Builder Class 1 allows the builder to undertake general building works of unlimited value and General Builder Class 2 allows the builder to undertake general building works of contract value S\$6.0 million or less. As at the Latest Practicable Date, our subsidiary, Industrial & Commercial Facilities Management, is licensed under the General Builder Class 1 until 3 June 2020.

Pursuant to Section 29I(5) of the BC Act, one of the conditions of every builder's licence granted to a corporation is that the management of the business of the corporation, in so far as it relates to general building works, as in our case, shall at all times be under the charge and direction of a director or a member of the board of management of the corporation or an employee of the corporation who is employed in such a manner and with such similar duties and responsibilities as a director or member of its board of management, who satisfies the Commissioner of Building Control ("Commissioner") that he has the prescribed qualifications and prescribed practical experience; or although not having the prescribed qualifications and prescribed practical experience, satisfies the Commissioner that he has nevertheless had such practical experience as to render him, in the opinion of the Commissioner, competent to manage the business of a general builder in Singapore.

The Commissioner may by order revoke any general builder's licence if he is satisfied that the licensed builder fails to comply with any of the relevant requirements of Section 29I(5) of the BC Act. The Commissioner may also, in any case in which he considers that no cause of sufficient gravity for revoking any general builder's licence exists, by order (a) suspend the licence for a period not exceeding six months; (b) impose on the builder concerned a financial penalty not exceeding S\$20,000; (c) censure the builder concerned; or (d) impose such other direction or restriction as the Commissioner considers appropriate on the builder's business as a general builder. The Commissioner shall not exercise his powers under the foregoing unless an opportunity of being heard by a representative in writing or by counsel had been given to the licensed builder against which the Commissioner intends to exercise its powers, being a period of not more than 14 days.

Contractors Registration System

Registration in the contractors' registry maintained by the BCA under the contractors registration system is a pre-requisite to tendering for projects in the public sector and the validity for a first time registration is for a period of three years. Registration will thereafter lapse

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automatically unless a renewal (for a period of three years) is filed and approved by the BCA. Presently, there are seven major categories of registration, some of which are further sub-classified into different grades, depending on the sub-category of registration. Registration of a contractor with the BCA is dependent on the contractor fulfilling certain requirements relating to, among others, the value of previously completed projects, sufficient financial resources and the necessary full-time personnel resources stationed in Singapore to undertake the work corresponding to the registration head applied for. The grade assigned to each contractor is also dependent on the contractor's minimum net worth and paid-up capital.

As at the Latest Practicable Date, our following subsidiaries are registered under the contractors registration system of the BCA for the following registration workheads:

<u>Category of registration</u>	<u>Entity concerned</u>	<u>Title</u>	<u>Type of supply</u>	<u>Tender capacity</u>	<u>Expiry date</u>
Grade L1, Workhead ME04	Industrial & Commercial Security	Communication & Security Systems	(a) Installation and maintenance of communications systems (e.g. Intercom & wireless radio) and security systems (e.g. security alarm, car park security control and car access system) (b) Installation and maintenance of Central Antenna Television (CATV) Systems	S\$0.65 million	1 July 2018
Grade L3, Workhead MW02	Industrial & Commercial Facilities Management	Housekeeping, Cleansing, Desilting & Conservancy Service	Includes cleaning and housekeeping services for offices, buildings, compounds, industrial and commercial complexes, desilting and cleansing of drains and grasscutting	S\$4.0 million	1 June 2018
Grade L1, Workhead MW03	Industrial & Commercial Facilities Management	Landscaping	Provision of landscaping services including tree planting and turfing	S\$0.65 million	1 June 2018

All of the abovementioned registration workheads have a current validity period of less than 12 months. We intend to apply for the renewal of the abovementioned registration workheads as and when they expire.

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The abovementioned registration workheads are pre-requisites for Industrial & Commercial Facilities Management to tender for public sector projects in relation to the specified scope of work under the respective workheads.

Notwithstanding that at present most of the cleaning, landscaping and pest control services are provided to our properties and our tenants, we intend to tender for more public sector projects in the future. In the event that we participate in such tenders, our Directors believe that the non-renewal of any of the abovementioned registration workheads may have a material adverse impact on the results of operations and financial position of our Group because such registration workheads are typically required in relation to the tender for public sector projects.

As at the Latest Practicable Date, barring any unforeseen circumstances, our Directors are not aware of any reasons which would cause or lead to the non-renewal of any of the abovementioned registration workheads, and believe that the Group will be able to fulfil the relevant conditions required to renew the abovementioned registration workheads when they expire.

Licensing of Cleaning Business

Under the Environmental Public Health Act (Chapter 95) of Singapore, or EPHA, no person shall carry on a business, whether or not for profit, providing cleaning work to other persons through the services of cleaners engaged or employed by that person in Singapore, except under and in accordance with a cleaning business licence. A cleaning business found operating without a valid cleaning business licence will be liable to a maximum fine of S\$10,000 or up to 12 months imprisonment or both, and S\$1,000 every day for a continuing offence.

The National Environment Agency of Singapore, or NEA, requires cleaning business licensees to, among others, have written employment contracts. In addition, cleaning businesses must meet the wage and training requirements specified in the progressive wage model for the cleaning sector, developed by the Tripartite Cluster for Cleaners, for cleaners who are Singapore citizens or permanent residents in order to obtain or renew their cleaning business licences. The progressive wage structure is based on job scope and comprises wage ladders for three broad categories of cleaning jobs: (i) office and commercial buildings (e.g. offices, schools, hospitals and polyclinics); (ii) food and beverage establishments (e.g. hawker centres and food courts); and (iii) conservancy sector (e.g. Town Councils and public cleansing).

As at the Latest Practicable Date, our subsidiary, Industrial & Commercial Facilities Management, is licensed to operate a cleaning business until 23 October 2018.

Licence to Operate a Heavy Vehicle Parking Place

Pursuant to the Parking Places Act (Chapter 214) of Singapore, or PPA, and the Parking Places (Licensing and Control of Private Parking Places for Heavy Vehicles) Rules, or PPR, which are regulated by the Land Transport Authority of Singapore, no person shall maintain or operate any private parking place unless he is in possession of a valid licence granted under the PPR. Application for a licence to maintain or operate a private parking place shall be made to the

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Superintendent of Car Parks or a Deputy or an Assistant Superintendent of Car Parks (“Superintendent”) in such form and manner as the Superintendent may specify and shall be supported by information including (a) a plan approved by the competent authority; or (b) such plan as the Superintendent may require, showing the location, dimension and capacity of such parking place together with details as to the level thereof, the entrances thereto and exits therefrom. The Superintendent may grant a licence subject to such conditions as he thinks fit to impose or refuse to grant a licence without assigning any reason. Every licensee shall comply with the conditions set out in the Second Schedule to the PPR, which include, among others, not using or permitting to be used any part of the private parking place for any purpose other than for the parking or housing of vehicles, ensuring that the private parking place is structurally sound and fit for the purpose of parking of vehicles, and complying with all directions that may be given by the Superintendent from time to time.

As at the Latest Practicable Date, our subsidiaries, LHN Group, Work Plus Store Company, LHN Space Resources and LHN Parking, are licensed to operate their respective heavy vehicle parking places.

Provision of Security Services

The Private Security Industry Act (Chapter 250A) of Singapore, or PSIA, as regulated by the Singapore Police Force, provides, among others, that no person shall, among others, engage in the business of supplying, for reward, the services of security officers to other persons, except under and in accordance with a security agency’s licence granted under the PSIA. A “security officer” means any individual who, for reward, carries out certain specified functions which include, among others, patrolling or guarding another person’s property (including cash in transit) by physical means (which may involve the use of patrol dogs) or by electronic means. Any person who contravenes the above prohibition shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$50,000 or to imprisonment for a term not exceeding two years or to both.

Security agencies must meet the wage and training requirements specified in the progressive wage model for the security sector, developed by the Security Tripartite Cluster, for security officers who are Singapore citizens or permanent residents in order to obtain or renew their licences. The progressive wage model is a five-level career progression model which features specific training requirements and progressive wages pegged for each level.

In addition, the PSIA also provides, among others, that no person shall, among others, engage in the business of providing, for reward, any security service to other persons, except under and in accordance with a security service provider’s licence granted under PSIA. A person is said to provide a security service if he carries on any one or more of the specified activities, which include, installing, maintaining, repairing or servicing, by physical or electronic means (i) any security equipment in any premises or any vehicle, vessel, aircraft or other means of conveyance; or (ii) any mechanical, electronic, acoustic or other equipment that the person installing, maintaining, repairing or servicing the equipment purports to be equipment that is designed or adapted to

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provide or enhance security or for the protection or watching of any property. Any person who contravenes the above prohibition shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding two years or to both.

The PSIA also provides that a person (whether or not a licensed security agency) who employs, or is about to employ, as a security officer any person who is a licensed security officer shall before employing the licensed security officer; and not later than 14 days after terminating the employment of the licensed security officer, inform the licensing officer in the prescribed form and manner of the proposed employment or termination of employment, as the case may be. Where an employer or a former employer of a licensed security officer contravenes the above requirement, the employer or former employer, as the case may be, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding two years or to both.

As at the Latest Practicable Date, our subsidiary, Industrial & Commercial Security, has been granted a licence to operate a security agency and a licence to operate as a security service provider under the PSIA until 1 July 2018 and 28 April 2018 respectively.

Regulations Governing Logistics Services Business

In relation to our current logistics services business, we are required to comply with the specific laws pertaining to the transport of hazardous substances under the EPMA and EPM(HS)R, when transporting hazardous chemicals. We must also comply with the FSA in relation to the transport of petroleum, and flammable materials and substances. Further, as described in the section entitled “Business — Our Business Strategies — Continue to expand our current business operations in Singapore, Indonesia, Thailand, Myanmar and Hong Kong — Logistics Services Business” in this prospectus, we intend to set up an ISO tank depot in Singapore. In the event that we proceed with this course of action, we will be further required to comply with the specific laws under the EPMA, EPM(HS)R and FSA in relation to the storage of such abovementioned substances.

Pursuant to the FSA:

- (i) no person shall transport any class of petroleum or any flammable material (other than as a driver of a road vehicle) if (a) the regulations require the person transporting such petroleum or flammable material to hold a licence from the Commissioner of Singapore Civil Defence to transport such petroleum or flammable material; and (b) the person does not hold such a valid licence;
- (ii) no person shall transport any class of petroleum or any flammable material (other than as a driver of a road vehicle) unless the transportation (a) is in accordance with the provisions of his licence and with every condition specified therein; and (b) is in such quantities and in such manner and in accordance with requirements prescribed in relation to such petroleum or flammable material; and

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- (iii) no person shall store or keep, or cause to be stored or kept, any class of petroleum or any flammable material except (a) in or on licensed premises; (b) in such quantities and in such manner and in accordance with requirements prescribed in relation to such petroleum or flammable material; and (c) under the authority of and in accordance with the provisions of a storage licence from the Commissioner of Singapore Civil Defence and every condition specified therein.

The Fire Safety (Petroleum and Flammable Materials) Regulations of Singapore, or FS(PFM)R, provides that the transport of any class of petroleum or any flammable material in excess of the respective quantities specified in the Second Schedule of the FS(PFM)R shall require a licence to transport. As at the Latest Practicable Date, we have obtained the relevant transportation licenses for the transport of class 2 (gases), class 3 (flammable liquids).

In addition, our transportation operations are subject to the laws and regulations under the Motor Vehicles (Third-Party Risks and Compensation) Act (Chapter 189) of Singapore which stipulates the laws regarding third-party risks and payment of compensation in respect of death or bodily injury arising out of the use of motor vehicles. The Ministry of Transport of Singapore is the regulatory body primarily responsible for ensuring compliance.

Other Regulations

In addition to regulations governing our space optimisation business, facilities management business and logistics services business, we are also subject to other regulations, particularly those in respect of environmental, health and safety compliance. We have identified the main laws and regulations (apart from those pertaining to general business requirements) that materially affect our business, the relevant regulatory bodies and the licences, permits and approvals typically required for the conduct of our business:

(a) *Workplace Safety and Health*

The Workplace Safety and Health Act (Chapter 354A) of Singapore, WSHA, provides that every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for those persons a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by those persons, ensuring that those persons are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and implementing procedures for dealing with emergencies that may arise while those persons are at work, and ensuring that those persons at work have adequate instruction, information, training and supervision as is necessary for them to perform their work. More specific duties imposed by the relevant regulatory body, the Ministry Of Manpower of Singapore, or MOM, on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations of Singapore.

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Any person who breaches the above duty under the WSHA shall be guilty of an offence and shall be liable on conviction, in the case of a body corporate, to a fine not exceeding S\$500,000, and if the contravention continues after the conviction, the body corporate shall (subject to Section 52 of the WSHA) be guilty of a further offence and shall be liable to a fine not exceeding S\$5,000 for every day or part thereof during which the offence continues after conviction. For repeat offenders, where a person has on at least one (1) previous occasion been convicted of an offence under the WSHA (but not including the regulations) that causes the death of any person; and is subsequently convicted of the same offence that causes the death of another person, the court may, in addition to any imprisonment if prescribed, punish the person, in the case of a body corporate, with a fine not exceeding S\$1 million and, in the case of a continuing offence, with a further fine not exceeding S\$5,000 for every day or part thereof during which the offence continues after conviction.

Under the WSHA, the Commissioner for Workplace Safety and Health, or CWSH, may serve a remedial order or a stop-work order in respect of a workplace if he is satisfied that:

- (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any work or process carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work;
- (ii) any person has contravened any duty imposed by the WSHA; or
- (iii) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work.

The remedial order shall direct the person served with the order to take such measures, to the satisfaction of the CWSH, to, among others, remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work, whilst the stop-work order shall direct the person served with the order to immediately cease to carry on any work or process indefinitely or until such measures as are required by the CWSH have been taken, to the satisfaction of the CWSH, to remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

As at the Latest Practicable Date, the CWSH has not served a remedial order or a stop-work order on any Group Company.

(b) *Work Injury Compensation*

The Work Injury Compensation Act (Chapter 354) of Singapore, or WICA, which is regulated by MOM, applies to any employee (with the exception of those set out in the Fourth Schedule of the WICA) who has entered into or works under a contract of service or apprenticeship with an employer, in respect of personal injury suffered by such employee

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arising out of and in the course of his employment and sets out, among others, the amount of compensation that he is entitled to and the method(s) of calculating such compensation. The WICA provides that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, the employer shall be liable to pay compensation in accordance with the provisions of the WICA. The amount of compensation shall be computed in accordance with the Third Schedule of the WICA, subject to a maximum and minimum limit.

The WICA further provides, among others, that, where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the employer) for the execution by the employer of the whole or any part of any work, or for the supply of labour to carry out any work, undertaken by the principal, the principal shall be liable to pay to any employee employed in the execution of the work any compensation which he would have been liable to pay if that employee had been immediately employed by the principal.

(c) *Environmental Laws and Regulations*

The EPHA, which is regulated by the NEA, requires, among others, a person who, during the erection, alteration, construction or demolition of any building or at any time, to take reasonable precautions to prevent danger to the life, health or well-being of persons using any public places from flying dust or falling fragments or from any other material, thing or substance. Any person who commits an offence under the above provision may be arrested without warrant by any police officer or authorised officer, and taken before a Magistrate's Court or a District Court of Singapore, as the case may be, and shall be liable on conviction to a fine not exceeding, in the case of a first conviction, S\$2,000, in the case of a second conviction, S\$4,000, and in the case of a third or subsequent conviction, S\$10,000.

The EPHA also prohibits a person from disposing of or causing or permitting to be disposed of industrial waste in or at any place except a public disposal facility or a disposal facility stipulated under the EPHA. Any person who contravenes the above prohibition shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a second or subsequent conviction, to a fine not exceeding S\$20,000 and to imprisonment for a term of not less than one month and not more than 12 months.

REGULATORY OVERVIEW

Under the EPHA, the Ministry of Environment and Water Resources of Singapore has empowered the Director-General of Public Health of Singapore to serve a nuisance order on the owner or occupier of the premises on which the nuisance arises. Some of the nuisances which are liable to be dealt with summarily under the EPHA include any premises or part thereof of such a construction or in such a state as to be a nuisance or injurious or dangerous to health, any factory or workplace which is not kept in a clean state and any place where there exists or is likely to exist any condition giving rise, or capable of giving rise to the breeding of flies or mosquitoes, any place where there occurs, or from which there emanates noise or vibration as to amount to a nuisance and any machinery, plant or any method or process used in any premises which causes a nuisance or is dangerous to public health and safety. Any person who fails to comply with a nuisance order served on him under the EPHA shall be guilty of an offence and shall be liable in the case of a first conviction, to a fine not exceeding \$10,000 and, in the case of a continuing offence, to a further fine not exceeding \$1,000 for every day or part thereof during which the offence continues after conviction, and in the case of a second or subsequent conviction, to a fine not exceeding \$20,000 or to imprisonment for a term not exceeding three months or to both and, in the case of a continuing offence, to a further fine not exceeding \$1,000 for every day or part thereof during which the offence continues after conviction.

The EPMA seeks to provide for the protection and management of the environment and resource conservation by regulating, among others, air pollution, water pollution, land pollution and noise control. The EPMA provides that no principal contractor of a construction site who has control of the construction site shall permit any person from, among others, (i) using any or any class of combustible material or fuel burning equipment within such area or premises as may be designated and at such times as may be specified in the order; (ii) discharging any trade effluent, oil, chemical, sewage or other polluting matters into any drain or land without a written permission from the Director-General of Environmental Protection; and (iii) discharging or causing or permitting to be discharged any toxic substance or hazardous substance into any inland water so as to be likely to cause pollution of the environment.

In addition, the Environmental Protection and Management (Control of Noise at Construction Sites) Regulations of Singapore, or EPM(CNCS)R, provides that the owner or occupier of any construction site shall ensure that the level of noise emitted from his construction site shall not exceed the maximum permissible noise levels set out in the EPM(CNCS)R. Any person who fails to comply with the maximum permissible noise levels shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$40,000 and, in the case of a continuing offence, to a further fine not exceeding S\$1,000 for every day or part thereof during which the offence continues after conviction.

REGULATORY OVERVIEW

(d) *Registration with GeBIZ and the Government Supplier Registration*

GeBIZ is the Singapore government's one-stop e-procurement portal where all of the public sector's invitations for quotations and tenders are posted. Registration with GeBiz as a GeBIZ Trading Partner is a pre-requisite for suppliers who wish to do business with Singapore government agencies. Suppliers may search for government procurement opportunities, download tender documents, and submit their bids online. Successful quotations and tenders will be notified through the portal and suppliers can use the framework to manage their ongoing contracts and letters of acceptance. Registration is free for the first account and each additional account requires the payment of an annual fee.

Certain tenders for the supply of goods and/or services to the public sector may require business entities which wish to participate in such tender to have a valid Government Supplier registration. Suppliers must be a GeBIZ Trading Partner first before they are able to apply for the Government Supplier registration. Suppliers should ensure that the products/services which they are supplying fall within the supply head for which they wish to register. Registration under each supply head may be for a certain financial grade. The financial grade that an applicant may be eligible to register for is dependent on the supplier's net tangible asset and turnover/sales/revenue. A supplier's financial grade will, in turn, determine the tendering capacity of the supplier. The validity period of any approved registration is between one and a half to three years, and will automatically lapse unless an application to renew is approved before the expiry date.

As at the Latest Practicable Date, our subsidiaries, HN Logistics, Industrial & Commercial Facilities Management, Industrial & Commercial Security, LHN Group and LHN Parking, are registered with GeBIZ as GeBIZ Trading Partner, and are also registered under the Government Supplier registration. Please refer to the section entitled "Business — Licenses, Permits Approvals and Certificates" of this prospectus for more details on the respective Supply Heads and financial grade/financial limit which HN Logistics, Industrial & Commercial Facilities Management, Industrial & Commercial Security, LHN Group and LHN Parking are registered for.

OVERVIEW OF SINGAPORE TAX LAW AND REGULATIONS

Corporate Tax

Corporate taxpayers (whether Singapore tax resident or non-Singapore tax resident) are generally subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore (unless specified conditions for exemption are satisfied). Foreign income in the form of dividends, branch profits and service fee income received or deemed to be received in Singapore by a Singapore tax resident corporate taxpayer may however be to be from Singapore tax if specified conditions are met.

REGULATORY OVERVIEW

The prevailing corporate income tax rate is 17.0% with partial tax exemption for normal chargeable income of up to S\$300,000 as follows:

- 75.0% exemption of up to the first S\$10,000 and
- 50.0% exemption of up to the next S\$290,000.

The chargeable income of a company in excess of the first S\$300,000 (after the partial tax exemption) will be fully taxable at the prevailing corporate tax rate.

Withholding Tax and Singapore Income Tax on Dividends

Singapore adopts the one-tier corporate tax system. The tax paid by the Singapore tax resident company is final and the after-tax profits of such company can be distributed to its shareholders as tax exempt (one-tier) dividends. A company is regarded as a tax resident in Singapore for Singapore tax purposes if the control and management of its business are exercised in Singapore.

When a Singapore tax resident company pays dividends, the source of such dividends will be considered to be from Singapore. Currently, Singapore does not impose withholding tax on dividends paid to resident or non-resident shareholders.

As our Company is a Singapore tax resident company, the dividends distributed by our Company will be tax exempt (one-tier) dividends. Our Shareholders are exempt from paying Singapore income tax for the dividends received from our Company regardless of whether the shareholder is a Singapore tax resident or non-Singapore tax resident.

Gains on Disposal of Ordinary Shares

In Singapore, there is no specific law or regulators to characterise a gain from the sale of shares to be revenue or capital in nature, which will depend on the facts and circumstances surrounding the purchase and sale of the shares and case law principles.

If based on the facts and circumstances surrounding the purchase and sale of Shares, if the gain from the disposal of Shares arises from or are otherwise connected with activities that the Singapore Comptroller regards as from carrying on of a trade or business of dealing in shares in Singapore, such gains should be subject to Singapore income tax. As the precise tax status of one shareholder will vary from another, shareholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

Section 13Z of the Singapore Income Tax Act (“SITA”) provides certainty that gains derived from the disposal of ordinary shares that take place from 1 June 2012 to 31 May 2022 (both dates inclusive) by a divesting company will not be taxed if the divesting company has held at least 20% of the ordinary shares in the investee company have been held for a continuous period of at least 24 months prior to the disposal.

REGULATORY OVERVIEW

In addition, please note that this treatment does not apply in certain cases, including the disposal of shares by a partnership, limited partnership or limited liability partnership one or more of the partners of which is a company or are companies.

Furthermore, for corporate Shareholders who apply or are required to apply the Singapore Financial Reporting Standard 39 Financial Instruments — Recognition and Measurement (“SFRS 39”), for the purposes of Singapore income tax, such Shareholders may be required to recognise revenue and gains or losses in accordance with the provisions of SFRS 39, as modified by the applicable provisions of Singapore income tax law, even though no sale or disposal of our Shares have been made. Shareholders who may be subject to such tax treatment should consult their own accounting and tax advisors regarding the Singapore income tax consequences of their acquisition, holding and disposal of our Shares.

Stamp Duty

In Singapore, no stamp duty is payable on the subscription and issuance of our Shares. Singapore Stamp Duty is also not applicable to the electronic transfer of our Shares through the CDP or CCASS where no contract or agreement for such sale is executed or brought into Singapore.

There could be stamp duty implications if any sale and purchase agreement for or instrument of transfer for our Shares is executed. Potential investors should seek professional advice based on the specific circumstances of their situation. As at the Latest Practicable Date, stamp duty payable is at 0.2% on the amount of the consideration or market value of the Shares, whichever is the higher. The purchaser is liable for the stamp duty unless otherwise agreed by the parties to the transaction.

If there is no instrument of transfer is executed, such as in the case of scripless Shares and transfer of Shares that does not require an instrument of transfer to be executed, or if the instrument of transfer is executed outside of Singapore and not brought into Singapore, no stamp duty is payable. However, stamp duty may be payable if the instrument of transfer that is executed outside of Singapore which is subsequently brought into Singapore.

Estate Duty

Singapore estate duty was abolished with effect from 15 February 2008.

OVERVIEW OF INDONESIA LAWS AND REGULATIONS

Regulations Governing Operating and Managing Serviced Offices

PT HN Group and PT Hub Hijau are both limited liability companies duly incorporated under the laws of Indonesia. As the Indonesia Subsidiaries are foreign investment (PMA) companies, an *izin usaha* (meaning, a business license) from the Indonesia Investment Coordinating Board (Badan Koordinasi Pananaman Modal) (“**BKPM**”) must be obtained to operate and manage serviced offices.

REGULATORY OVERVIEW

The Indonesia Subsidiaries and their respective business operations are governed by Law No. 25 of Year 2007, Head of BKPM Regulation No. 14 of Year 2015, as amended by Head of BKPM Regulation No. 6 of Year 2016, Head of BKPM Regulation No. 15 of Year 2015 and Presidential Regulation No. 44 of Year 2016 (Indonesia Negative Investment List).

The Indonesia Subsidiaries have obtained the *izin usaha* from BKPM to operate and manage serviced offices located at Kota Kasablanka. PT Hub Hijau has obtained the *izin usaha* to operate and manage serviced offices located at Plaza Marein. The building owners of the Indonesia Properties are generally responsible for the logistics services, fire safety, workplace safety and healthy, work injury compensation and environmental management. The Indonesia Subsidiaries are only responsible for complying with the following in relation to carrying on the business of operating and managing serviced office units at the Indonesia Properties:

(a) *Workplace Safety and Health*

Employers in Indonesia are required to register their employees (including foreigners) in two programs of the Social Security Agency according to Law No. 40 of Year 2004 and Law No. 24 of Year 2011, namely *BPJS Kesehatan* and *BPJS Ketenagakerjaan*. Since 1 January 2014, health security is managed under *BPJS Kesehatan*, whereas work accident security, old age security, pension security and death security is managed under *BPJS Ketenagakerjaan*. The Indonesia Subsidiaries have registered their respective employees in both programs.

(b) *Environmental Laws and Regulations*

As the Indonesia Subsidiaries are domiciled in Jakarta, provisions of the Governor of DKI Jakarta Decree No. 2333 of Year 2002 and Minister of Environment Regulation No. 16 of Year 2012 must be observed. The Indonesia Environmental Regulations, in general, require the Indonesia Subsidiaries to, among other things, carry out public order, maintain a good relationship with their neighbours, maintain hygiene and cleanliness levels, and be responsible for any damage to the environment and for the preservation of natural resources. In particular, the Indonesia Subsidiaries must comply with the following:

Regulations concerning the supervision and management of environment

The Indonesia Subsidiaries have confirmed their readiness to comply with applicable environmental management regulations in accordance with their respective Promissory Notes of Environmental Management and Supervision which have been validly issued by the Head of Regional Environment Agency of South Jakarta.

REGULATORY OVERVIEW

Environmental Impact Assessment

An Environmental Impact Assessment is an assessment of any significant impact of a business and/or planned activities on the environment in Indonesia. A report is made when a project is expected to affect the surrounding environment.

The building owners of the Indonesia Properties are required to submit an Environmental Impact Assessment report on the Indonesia Properties to the relevant authorities for approval. The Indonesia Subsidiaries are not required to prepare a report but will need to perform the following:

- (i) ensure liquid waste is processed through wastewater treatment plants of the Indonesia Properties; and
- (ii) conduct a separation between organic and non-organic waste (solid waste).

As at the Latest Practicable Date, none of the aforesaid laws and regulations has been revoked and they are still applicable in Indonesia.

OVERVIEW OF THAILAND LAWS AND REGULATIONS

Thailand

HLA Holdings (Thailand) and HLA Container Services (Thailand) are both private limited liability companies duly incorporated under the laws of Thailand.

In relation to HLA Holdings (Thailand), it is a Thai majority owned company (in which HLA Container Services holds 48% of its total issued shares). HLA Holdings (Thailand) operates as a holding company and does not engage in any businesses other than holding shares in HLA Container Services (Thailand). It is not subject to the Foreign Business Act B.E. 2542 (A.D. 1999) of Thailand and does not require any specific licenses or permits for its holding business operation.

In relation to HLA Container Services (Thailand), it is a Thai majority owned company (in which HLA Holdings (Thailand) holds 51% and HLA Container Services holds 48% of the total issued shares). HLA Container Services (Thailand) engages in the container depot services and container depot management business. It is not subject to the Foreign Business Act B.E. 2542 (A.D. 1999) of Thailand and does not require any specific licenses and/or permits for its business operation. Even though HLA Container Services (Thailand)'s scope of services offered to its customers includes inland container carriage services, it normally engages inland container carriage service provider to perform such services to the customers on its behalf. Therefore, HLA Container Services (Thailand) does not require an inland transportation permit while its subcontractors do. In the case that HLA Container Service (Thailand) wishes to perform the inland container carriage service itself in the future, a license to operate non-fixed route transport under the Land Transport Act B.E. 2522 (A.D. 1979) (the "LTA") is required. HLA Container Service (Thailand) must be qualified under the LTA to apply for the license, prior to its inland container carriage service operation.

REGULATORY OVERVIEW

HLA Container Services (Thailand) is required to comply with the Occupational Safety, Health and Environment Act B.E. 2554 (A.D. 2011) of Thailand under which an employer is required to arrange and maintain its business establishment and employees in safe and hygienic working conditions and environments, and to promote the operation of work of its employees to be prevented from any danger to life, body, mentality and health that may cause from work.

OVERVIEW OF MYANMAR LAWS AND REGULATIONS

Transfer of Immoveable Property Restriction Act

GH Yangon would be deemed to be a “foreigner owned company” under the Transfer of Immoveable Property Restriction Act 1987 of Myanmar, by virtue of its shares being held by non-Myanmar citizens. “Foreigner owned companies” such as GH Yangon are neither allowed to acquire nor lease immovable property for a term exceeding one year (the “Leasing Restriction”) pursuant to the Transfer of Immoveable Property Restriction Act 1987 of Myanmar. The Leasing Restriction will not apply, however, where GH Yangon can be granted a “Permit” or “Endorsement” in accordance with the stipulations (in order to do investment) under the Myanmar Investment Law (Law No. 40/2016) dated 18 October 2016, Myanmar Investment Rules (Notification No. 35/2017) dated 30 March 2017 and various other notifications issued by the Myanmar Investment Commission.

Workplace Health and Safety

Companies carrying on business in Myanmar with five or more employees are subject to compulsory social security registration (at the relevant township social security office) under the Social Security Law 2012 of Myanmar, which became effective from 1 April 2012 pursuant to Notification No. 15/2014 issued by the President’s Office of the Republic of the Union of Myanmar. The social security scheme is financed by contribution from employees, employers and the government of Myanmar and comprise generally of two main funds at the moment, being the health and social care and the employment injury benefit funds.

Currently, the amount of contribution in respect of the health and social security and the employment injury benefit funds is collectively 5% of the amount of gross monthly salary of the employee (up to a maximum gross monthly salary of Kyats 300,000). The employer-employee contribution ratio is approximately 3% to 2%. Employees insured under the said health and social security fund will (in accordance with the stipulations of the Social Security Law of Myanmar, the Social Security Board of Myanmar and the Union Government of Myanmar) be entitled to enjoy various health and social care benefits such as health care medical treatment and cash benefits due to sickness, maternity benefits (for female insured) and paternity benefits (for male insured), both during the period of confinement of the insured wife. Companies registered for and which have paid contribution towards the employment injury fund shall not be subject to the provisions of the Workmen’s Compensation Act 1923 of Myanmar in respect of the employment injury benefit.

REGULATORY OVERVIEW

Under the Workmen's Compensation Act 1923 of Myanmar, if personal injury or death is caused to a workman by an accident arising out of and in the course of employment, the employer shall be liable to pay compensation in accordance with the provisions of the said Act. The employer shall not be so liable in respect of any injury not resulting in death, caused by an accident which is directly attributable to the workman having been at the time thereof under the influence of drink or drugs; or wilful disobedience to an order expressly given or to a rule expressly framed, for the purpose of securing the safety of workmen; or the wilful removal or disregard by the workman of any safety guard or other device which he knew to have been provided for the purpose of securing the safety of workmen.

Environmental Conservation

The Environmental Conservation Law (Law No. 9/2012) of Myanmar dated 30 March 2012 and Environmental Conservation Rules (Notification No. 50 of 2014) of Myanmar dated 5 June 2014, oblige not only the owners of buildings but also the operators and managers of the same to monitor, control, manage reduce or eliminate environmental pollution and to conserve the environment which is defined broadly under the Environmental Conservation Law of Myanmar to mean, "physical factors in the human environment including land, water, atmosphere, climate, sound, odour, taste, the biological factors of various animals and plants and historical, cultural, social and aesthetic factors."

Municipal Laws and Regulations

The property leased by GH Yangon, located at No. 85 Boyar Nyunt Street, Dagon Township, Yangon, Myanmar (the "Leased Property") is located within the boundaries of the City of Yangon Municipality and thus subject to relevant provisions of the City of Rangoon Municipal Act 1922 (as amended) of Myanmar, Yangon City Development Law (Law No. 6/2013) of Myanmar dated 8 October 2013 and Yangon Region Development Law (Law No. 5/2013) of Myanmar dated 30 September 2013 and the rules, regulations and notifications issued pursuant thereto including in connection with minor or major repairs or renovation works to be conducted at the Leased Property; erection of signboards or advertising on the walls of the Leased Property; collection and removal of debris and/or sewage and rubbish; general abatement of nuisance; water supply and sanitation works; regulation of all markets (including private markets such as departmental stores, shopping malls, etc.); public health and safety and environmental conservation matters; and other development works for the benefit of the community, all within the City of Yangon Municipality.

Foreign Exchange

Foreign Exchange Management Law (Law No. 12/2012) of Myanmar dated 10 August 2012, as amended by Law Amending the Foreign Exchange Management Law (Law No. 64/2015) dated 15 December 2015, and Foreign Exchange Management Regulation (Notification No. 7/2014) of Myanmar dated 30 September 2014 govern foreign exchange operations including payments in foreign exchange within Myanmar and international payments and transfers in foreign exchange. Foreign Exchange Management Law of Myanmar provides that no restrictions shall be imposed, directly or indirectly, on payments and transfers for “current international transactions”, defined as “payments which are not for the purpose of transferring capital” such as:

- (i) all payments due in connection with foreign trade, other current business, including services, and normal short-term banking and credit facilities;
- (ii) payments due as interest on loans and as net income from other investments;
- (iii) payments of moderate amounts for amortization of loans or for depreciation of direct investments; and
- (iv) moderate remittances for family living expenses.

In contrast, Foreign Exchange Management Law of Myanmar provides that “The Central Bank shall monitor and record funds brought in as foreign investment, as a reference for repatriation of principal, interests, profits, dividends and other payments related to the investment.... Foreign investors shall declare their funds and provide evidence of their funds brought in to the Central Bank for each transaction. Foreign investors who fail to present documentary evidence may not be permitted to repatriate the funds abroad”.

In this regard, Foreign Exchange Management Rules of Myanmar clarifies that banks licensed to deal in foreign banking including dealing in foreign exchange operations by the Central Bank of Myanmar (“Authorized Dealers”) are obliged under the terms of their license to report all foreign exchange transactions to the Central Bank of Myanmar. In particular, it is the duty of an Authorized Dealer to ensure that it can identify whether a transaction is of a current or capital nature, based on relevant documentary evidence required to be provided by the customer. From our experience, in respect of proposed repatriation of dividends from a Myanmar bank account to an offshore bank account, documents that would generally be required to be shown by the transferor to the Authorized Dealer (all originals) for the Authorized Dealer’s determination of whether the transaction is permissible include but are not limited to: (a) tax clearance certificate for the relevant financial year; (b) board of directors’ meeting minutes authorising distribution of dividends; (c) certificate of incorporation; (d) memorandum & articles of association; (e) latest filing of Form 26 (particulars of directors); (f) latest filing of Form 6 (return of allotments); and (g) latest Form E filing, all relating to the said transferor entity. If an Authorized Dealer is in any doubt as to the nature or purpose of a transaction, the matter shall be referred to the Central Bank of Myanmar for clarification.

REGULATORY OVERVIEW

Be that as it may, Foreign Exchange Management Law of Myanmar and Foreign Exchange Management Rules of Myanmar are still considered in practice, as new enactments and their provisions are yet to be tested and would most certainly in our view, be subject to ongoing interpretation and refinement in respect of its practical effect, implementation and enforcement by the Central Bank of Myanmar.

OVERVIEW OF HONG KONG LAWS AND REGULATIONS

Security Personnel Permit

Under the Security and Guarding Services Ordinance (Chapter 460 of the Laws of Hong Kong), or SGSO, a person who does security work for another person for reward is required to apply for a security personnel permit. According to the SGSO, security work means, *inter alia*, guarding any property, guarding any person or place for the purpose of preventing or detecting the occurrence of any offence, installing, maintaining or repairing a security device and designing for any particular premises or place a system incorporating a security device.

In employing any security guard or engaging any person to install, maintain or repair a security device (e.g. closed circuit television system) for the car park business operations, we must ensure the person employed or engaged holds a valid license under the SGSO for the type of services to be provided.

Mandatory Provident Fund (MPF) Schemes

The MPF schemes are defined contribution retirement scheme managed by authorised independent trustees. The Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), or MPFO, provides that an employer shall participate in an MPF scheme and make contributions for its employees aged between 18 and 65 who have been employed for a continuous period of 60 days or more. Under the MPF scheme, an employer and its employee are both required to contribute 5% of the employee's monthly relevant income as mandatory contribution for and in respect of the employee, subject to the minimum and maximum relevant income levels for contribution purposes. Our Group shall observe such requirements imposed by MPFO in employing any staff in Hong Kong.

Minimum wage

The Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), or MWO, provides for a prescribed minimum hourly wage rate for every employee employed under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). With effect from 1 May 2017 the statutory minimum wage was increased to HK\$34.5 per hour. Our Group shall ensure salaries of our employees in Hong Kong shall meet the minimum requirements as imposed by the MWO.

OVERVIEW OF PRC LAWS AND REGULATIONS

PRC Laws and Regulations Relating to the Establishment, Operation and Management of a Wholly Foreign-Owned Enterprise in the PRC

The establishment, operation and management of corporate entities in China are governed by the PRC Company Law (中華人民共和國公司法) which was adopted by the Standing Committee of the National People's Congress (全國人民代表大會常務委員會) on 29 December 1993 and with effect from 1 July 1994. It was last amended on 28 December 2013 and with effect from 1 March 2014. Under the PRC Company Law, companies are generally classified into two categories, limited liability companies and companies limited by shares. The PRC Company Law also applies to foreign-invested limited liability companies. According to the PRC Company Law, where laws on foreign investment have other stipulations, such stipulations shall prevail.

The establishment procedures, approval procedures, foreign exchange, accounting practices, taxation and labour matters of a wholly foreign-owned enterprise are regulated by the Wholly Foreign-owned Enterprise Law of the PRC (中華人民共和國外資企業法) which was promulgated on 12 April 1986, last amended on 3 September 2016 and with effect from 1 October 2016 and the Implementation Rules to the Wholly Foreign-owned Enterprise Law of the PRC (中華人民共和國外資企業法實施細則) which was promulgated on 12 December 1990 and amended on 12 April 2001 and 19 February 2014, respectively.

Pursuant to the Provisional Measures for Filing Administration of Establishment and Changes of Foreign-invested Enterprises (外商投資企業設立及變更備案管理暫行辦法) which was promulgated by the Ministry of Commerce on 8 October 2016, last amended on 30 July 2017 and with effect on the same date, where establishments and changes to a foreign-invested enterprise do not fall within the scope of special administration measures for foreign investment admission as stipulated by the State, the foreign-invested enterprise shall go through filing procedures instead of the procedures for approvals. However, where establishments and changes to a foreign-invested enterprise fall within the scope of the special administration measures for foreign investment admission as stipulated by the State, the foreign-invested enterprise shall go through procedures for approvals according to the relevant laws and regulations governing foreign investment.

PRC Laws and Regulations Relating to the Foreign Investment

The Catalogue for the Guidance of Foreign Investment Industries (外商投資產業指導目錄), which was amended and promulgated by the Ministry of Commerce of the PRC, or the MOFCOM, and the National Development and Reform Commission on 28 June 2017 and with effect from 28 July 2017, lists the industries in the categories of foreign investment encouraged industries, foreign investment restricted industries and foreign investment prohibited industries. Industries not listed in the Catalogue for the Guidance of Foreign Investment Industries are permitted industries unless specifically prohibited or restricted by other PRC laws and regulations. The business engaged by our Group falls within a permitted foreign-invested industry.

REGULATORY OVERVIEW

PRC Laws and Regulations Relating to Industry

Pursuant to the Regulation on Property Management (物業管理條例) which was promulgated by the State Council on 8 June 2003, and came into effect on 1 September 2003 and was last amended on 6 February 2016, a qualification system for enterprises engaging in property management activities has been adopted. Pursuant to the Measures for the Administration on Qualifications of Property Management Enterprises (物業管理企業資質管理辦法) (the “Property Management Enterprises Qualification Measure”), which was promulgated by the Ministry of Housing and Urban-Rural Development of the People’s Republic of China on 17 March 2004, came into effect on 1 May 2004 and was last amended on 4 May 2015, a newly established property management enterprise shall, within 30 days from the date of the receipt of its business license, apply for the property management qualification to the competent real estate administration department. The competent departments of qualification examination and approval shall review the qualification and issue property management qualification certificates to the property management enterprises which meet the conditions for the corresponding qualification class.

Pursuant to the Property Management Enterprises Qualification Measure, the qualifications of a property management enterprise shall be classified into first, second and third classes. For the different classes of the qualification, the Property Management Enterprises Qualification Measure has laid out specific criteria for each class. Applicants have to meet detailed requirements in relation to their number of professional employees, types of properties managed and areas of different types of properties managed.

PRC Laws and Regulations Relating to Taxation

Enterprise Income Tax

Pursuant to the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法) which was last amended and became effective on 24 February 2017, domestic enterprises and foreign invested enterprises are subject to enterprise income tax at a rate of 25% on taxable income.

Under the PRC Enterprise Income Tax Law, enterprises consist of resident enterprises and non-resident enterprises. A resident enterprise refers to an enterprise that is incorporated under the PRC law, or that is incorporated under the law of a jurisdiction outside the PRC with its de facto management body located within the PRC. Pursuant to the Regulation on the Implementation of the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法實施條例), which became effective on 1 January 2008, a “de facto management body” is defined as a managing body that exercises, in substance, overall management and control over the production and business, personnel, accounting and assets of an enterprise. A non-resident enterprise refers to an enterprise which is incorporated under the law of a jurisdiction outside the PRC with its de facto management body located outside of the PRC, but which has set up institutions or establishments in the PRC, or has income originating from the PRC without setting up any institution or establishment in the PRC.

REGULATORY OVERVIEW

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (中華人民共和國增值稅暫行條例) last amended and promulgated on 6 February 2016 and with effect from the same day and its implementation rules, all entities or individuals in the PRC engaging in the sale of goods, the provision of processing services, repairs and replacement services, and the importation of goods are required to pay value-added tax.

PRC Laws and Regulations Relating to Foreign Currency Exchange

The principal regulations governing foreign currency exchange in the PRC are the Foreign Exchange Administrative Regulations (中華人民共和國外匯管理條例), or the SAFE Regulations, which was promulgated by the State Council and last amended on 5 August 2008. Under the SAFE Regulations, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the State Administration of Foreign Exchange, or the SAFE, is obtained. Foreign investment enterprises are permitted to remit their profits or dividends in foreign currencies out of their foreign exchange accounts or exchange RMB for foreign currencies through banks authorized to conduct foreign exchange business.

Pursuant to the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (關於進一步簡化和改進直接投資外匯管理政策的通知), or the SAFE Circular 13, which was promulgated on 13 February 2015 and with effect from 1 June 2015, the foreign exchange registration under domestic direct investment and the foreign exchange registration under overseas direct investment will be directly reviewed and handled by banks in accordance with the SAFE Circular 13, and the SAFE and its branches shall perform indirect regulation over the foreign exchange registration via banks.

PRC Laws and Regulations Relating to the Import and Export

Pursuant to the Customs Law of the PRC (中華人民共和國海關法) which was promulgated on 22 January 1987, last amended on 4 November 2017 and with effect on 5 November 2017, the consignees or consigners for import or export goods and the PRC customs brokers engaged in PRC customs declaration shall register with the PRC customs according to the Customs Law of the PRC.

Pursuant to the Rules of the Customs for the Administration of Registration of Declaration Entities of the PRC (中華人民共和國海關報關單位註冊登記管理規定) released by the General Administration of Customs of the PRC on 13 March 2014, a consignor or consignee of import or export goods shall go through the procedures for registration of the declaration entity with the PRC customs at its locality. A consignee or consignor of import or export goods may, after registration with the PRC customs, make its declarations at each customs territory port of the PRC or at the centralized PRC customs surveillance place.

REGULATORY OVERVIEW

According to the Foreign Trade Law of the PRC (中華人民共和國對外貿易法) which was promulgated by the Standing Committee of the National People's Congress (全國人民代表大會常務委員會) on 12 May 1994 and was last amended on 7 November 2016 and the Measures for the Record-Filing and Registration of Foreign Trade Operators (對外貿易經營者備案登記辦法) promulgated by the MOFCOM on 25 June 2004 and was last amended on 18 August 2016, foreign trade operators which engage in the import and export of goods shall go through the formalities for record-filing and registration with the MOFCOM or an authority authorized by the MOFCOM, unless laws, administrative regulations and rules of the MOFCOM provide that it is unnecessary to go through such formalities. If foreign trade operators fail to go through the formalities for record-filing and registration in accordance with relevant provisions, the PRC customs authority shall refuse to handle the declaration and clearance formalities of their imports and exports.

PRC Laws and Regulations Relating to Labour

Pursuant to the PRC Labour Law (中華人民共和國勞動法) promulgated on 5 July 1994 and effective on 1 January 1995, and amended on 27 August 2009 and the PRC Labour Contract Law (中華人民共和國勞動合同法) promulgated on 29 June 2007, amended on 28 December 2012 and effective on 1 July 2013, if an employment relationship is established between an entity and its employees, written labour contracts shall be prepared. The relevant laws stipulate the maximum number of working hours per day and per week, respectively. Furthermore, the relevant laws also set forth the minimum wages. The entities shall establish and develop systems for occupational safety and sanitation, implement the rules and standards of the State on occupational safety and sanitation, educate employees on occupational safety and sanitation, prevent accidents at work and reduce occupational hazards.

Pursuant to the Interim Regulations on the Collection and Payment of Social Insurance Premiums of the PRC (社會保險費徵繳暫行條例) promulgated and effective on 22 January 1999, the Interim Measures concerning the Administration of the Registration of Social Insurance of the PRC (社會保險登記管理暫行辦法) promulgated and effective on 19 March 1999, the Regulations on Unemployment Insurance of the PRC (失業保險條例) promulgated and effective on 22 January 1999, the Regulations on Occupational Injury Insurance of the PRC (工傷保險條例) promulgated on 27 April 2003 and effective on 1 January 2004, as amended on 20 December 2010, and the Interim Measures concerning the Maternity Insurance for Enterprise Employees of the PRC (企業職工生育保險試行辦法) promulgated on 14 December 1994 and effective on 1 January 1995, employers are required to register with the competent social insurance authorities and provide their employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, injury insurance and medical insurance.

REGULATORY OVERVIEW

Pursuant to the Social Insurance Law of the PRC (中華人民共和國社會保險法), which became effective on 1 July 2011, all employees are required to participate in basic pension insurance, basic medical insurance schemes and unemployment insurance, which must be contributed by both the employers and the employees. All employees are required to participate in work-related injury insurance and maternity insurance schemes, which must be contributed by the employers. Employers are required to complete registrations with local social insurance authorities. Moreover, the employers must timely make all social insurance contributions. Except for mandatory exceptions such as force majeure, social insurance premiums may not be paid late, reduced or be exempted.

Pursuant to the Regulations on the Administration of Housing Fund of the PRC (住房公積金管理條例) promulgated and effective on 3 April 1999, and amended on 24 March 2002, enterprises are required to register with the competent administrative centers of housing fund and open bank accounts for housing funds for their employees. Employers are also required to timely pay all housing fund contributions for their employees.

OVERVIEW OF CAMBODIA LAWS AND REGULATIONS

Incorporation of a Limited Liability Company (LLC)

A LLC is the principal form of legal entity for foreign-owned businesses in Cambodia, which is valid for 99 years. The liability of the shareholders to a LLC is limited to the amount of capital contribution with a minimum of KHR4.0 million (equivalent to approximately US\$1,000). Both single shareholder and multiple shareholder companies are permissible. LLCs are generally permitted to engage in all forms of legal business activities in Cambodia. In the case if the LLC will own land in Cambodia, a minimum local shareholding of 51% is required.

Labour

Enterprises in Cambodia must register with the Ministry of Labour and Vocational Training. Furthermore, there are quotas on the employment of foreign workers of 10%. Expatriates must have an annual work permit in order to work in Cambodia. Most of the employers are required to contribute to a national social security fund.

Intellectual Property

In Cambodia, intellectual property rights may be protected through the registration of trademarks, patents and industrial design protection, copyright protection for works of architects, authors, performers, producers, broadcasters and publishers.

Taxation

The General Department of Taxation (GDT) of the Ministry of Economy and Finance in Cambodia requires that all LLCs licensed to do business in Cambodia to register with GDT to obtain a tax payer identification number within 15 working days of obtaining an approval from relevant authorities to open a business.

REGULATORY OVERVIEW

Furthermore, taxpayers are required to submit monthly and annual returns. A taxation year follows the calendar year and annual returns are required to be submitted by 31 March of the following year. If the LLC engages in certain business activities that is classified as “qualified investment project”, approval from the Council for the Development of Cambodia for such activities and annual audits by independent auditors will be required. The minimum tax rate on profit is either 1% of total income or 20% of taxable profit.

HISTORY AND CORPORATE STRUCTURE

OUR BUSINESS DEVELOPMENT

Our business history can be traced back to 1991 when Mr. HN Lim, father of Mr. Kelvin Lim and Ms. Jess Lim, together with other family members, started to lease out part of the space in a family-owned factory to tenants. Mr. Kelvin Lim and Ms. Jess Lim joined the family business in 1997 and 2002, respectively. Since then, Mr. HN Lim had handed over the responsibility of managing the family business to them. Immediately before Mr. HN Lim's retirement in June 2014, Mr. HN Lim had no active involvement in our business. See "Directors and Senior Management — Directors — Executive Directors" in this prospectus for details of the biographies of Mr. Kelvin Lim and Ms. Jess Lim.

Since the establishment of the family business and during its initial development stage, our business operations were conducted by various private companies owned by certain family members of the Lim's family. As the family business and portfolio of properties grew, the Lim's family realised the model of scattered business operations under various companies without a unified group structure is not conducive to the long-term growth of the business. In 2005, in order to streamline the corporate structure and business activities, LHN Group was incorporated and became the holding company of our business. All of the companies which were then involved in our business became subsidiaries of LHN Group after a series of restructuring exercise. Since then, our Group began to incorporate more subsidiaries to hold master leases of properties in the course of expanding our business. In 2015, in preparation for the Catalist Listing, our Group had undergone a series of restructuring exercises, pursuant to which certain dormant companies belonging to our Group, that had held certain master leases (which had then expired) in conducting the business of our Group, had been transferred out of our Group. Among the current members of our Group, the first master lease was obtained by HN Logistics in 2002.

Over the years, we have continued to expand our business, both in terms of geographical coverage and variety of services offered. We currently have three major business segments, namely space optimisation, facilities management and logistics services, and have established operations in Singapore, Indonesia, Thailand, Myanmar and Hong Kong. As at the Latest Practicable Date, we are in the progress of establishing operations in the PRC.

Space Optimisation Business

Between 2002 and 2006, we started to diversify our customer base by leasing out spaces to other industrial tenants which required spaces for warehousing, open storage and factory purposes such as storage of construction and engineering equipment, building materials and automobiles. At that time, we only focused on sub-leasing industrial buildings and had not conducted any space optimisation works to maximise return from our properties. However, the experience in leasing business accumulated has built a solid foundation for our subsequent development.

HISTORY AND CORPORATE STRUCTURE

In 2006, in line with the growth of the Singapore property industry and in order to differentiate ourselves from other landlords, we started to renovate and refurbish our properties before leasing them out to our tenants. We obtained the master lease for the industrial building situated at 2 Soon Wing Road, Singapore, in May 2006. Buildings in that area were mostly built in the 1970s, therefore layout of units in the building was outdated and did not appeal to the market needs. We took the opportunity to conduct a major re-configuration of the entire building layout, including moving the canteen to the first floor, and re-dividing the units into smaller sizes of around 650 to 800 sq.ft. each. With the positive market response to our first space optimization project, it encouraged us to explore further opportunities in the space optimization business.

We then expanded our portfolio of space optimised properties to include commercial properties when we secured the master lease of our first significant commercial property at 10 Raeburn Park, Singapore in 2007. Upon securing this master lease, we renovated and refurbished 10 Raeburn Park such that the NLA increased by approximately 13.0%, of which we retained approximately 13,300 sq.ft. for use as our Group's corporate headquarters and leased the remaining space to various companies.

In 2008, we launched our first residential project in Singapore at 324A and 420 Keramat Road. We acquired the building under a master lease and refurbished the units, and sub-leased it to a foreign domestic helper agency as a foreign domestic worker's dormitory.

In 2012, we noted that there was a rising demand of readily furnished commercial spaces that the tenants may move in and start work immediately. In response to such demand, we launched our GreenHub brand of suited offices to provide suited offices to SMEs in Singapore. Our first GreenHub Suited Offices location was at 10 Raeburn Park, Singapore.

We then begin our geographical expansion as part of our strategic plan to expand our business in Southeast Asia. In 2014, we launched our GreenHub Suited Offices in Jakarta, Indonesia. In the same year, we also incorporated GH Yangon with the strategic intent to expand such services into Myanmar. However, after feasibility studies of the market in Myanmar, we considered the market of residential leasing is more attractive than that of commercial leasing. Therefore, in 2016, we proceeded to launch our residential brand, 85SOHO, to provide serviced apartment management services in Yangon, Myanmar.

Over the years, our Group has grown from a small lessor of factory space to become a real estate management services group with the ability to generate value for our landlords and tenants through our expertise in space optimisation, and expanded our business from one property to 33 properties as at the Latest Practicable Date in Singapore, Indonesia and Myanmar.

HISTORY AND CORPORATE STRUCTURE

Facilities Management Business

Our facilities management business was established in 2005 to provide facilities management services to our properties. Initially, we only provided security services to properties managed under our space optimisation business. We believe this has been a natural progress to not only minimise our cost and increase our profit margin of the space optimisation business as we provide our own facilities management service, but also allow us to offer the services to third parties to generate additional income. As a result, we are more in touch with the market and allow us to provide higher quality services to tenants on our properties.

In 2008, shortly after securing the master lease for 10 Raeburn Park, we installed an electronic parking system at the site to collect revenue as there were numerous parking slots at the site. As we recognised that we can also derive revenue by optimising the carpark spaces within our properties, we extended the car park management business to our other properties and later to third party owned properties by securing the management rights of private and government-managed car parks in industrial, commercial and residential areas. Since 2009, we further widened our scope of services by providing cleaning and other value-added services to both our properties and third parties. In May 2017, we have commenced management of our first car park in Hong Kong.

To date, our facilities management services include security services, car park management services and property maintenance services such as cleaning, repair and general maintenance of our properties in Singapore and car park management services in Hong Kong.

Logistics Services Business

In 2003, we seized the opportunity to extend our business scope and established our logistics services business by initially providing transportation services for base oil and bitumen to oil majors. Since then, some of our customers under our logistics services business have also gone on to lease industrial space from us under our space optimisation business, and vice versa. In addition, we managed to create a synergy between logistics services business and space optimisation business, as industrial land held under our space optimisation business may also have the option to be utilised by logistics services business until a more profitable development plan becomes mature.

In accordance with our strategic focus in niche logistics services, in 2009, we expanded our logistics services business by providing chemicals transportation services. In 2013, we further expanded our logistics services business by providing container depot management services in Singapore to major shipping lines and container leasing companies. In 2015, we opened our first overseas container depot in Laem Chabang, Thailand. As at the Latest Practicable Date, we have leased a property for our second container depot in Bangkok, Thailand, which the term is yet to commence.

HISTORY AND CORPORATE STRUCTURE

Business Milestones

The key milestones of our business development are as follows:

- | | |
|------|--|
| 2002 | Diversified customer base by leasing out spaces to other industrial tenants |
| 2003 | Began our Group's logistics services business by providing transportation service for base oil and bitumen |
| 2005 | Expanded logistic services business to include container trucking

Commenced operations of facilities management business to provide services to the properties which our Group managed |
| 2006 | Began to differentiate our Company's leasing business from other landlords by renovating and refurbishing our properties before leasing them out |
| 2007 | Expanded portfolio of space-optimisation business to include commercial properties |
| 2008 | Expanded facilities management business to include car park management service |
| 2009 | Expanded logistic services business to include transportation service for chemicals |
| 2012 | Launched our GreenHub Suited Offices in Singapore

Owned our first property by acquiring Singapore Handicrafts |
| 2013 | Expanded logistic services business to include container depot management services |
| 2014 | Our Company was incorporated

Commenced operations of GreenHub Suited Offices in Jakarta, Indonesia |
| 2015 | Our Company was converted into a public company and listed on Catalist board of the SGX-ST

Opened our first overseas container depot in Laem Chabang, Thailand

Opened second GreenHub Suited Office in Indonesia |

HISTORY AND CORPORATE STRUCTURE

- 2016
- Commenced Work+Store operations at 18 New Industrial Road, 18 Tampines and 680 Upper Thomson
 - Launched our 85SOHO brand of serviced residence in Yangon, Myanmar
 - Completed acquisition of 38 Ang Mo Kio through a joint venture
 - Acquired 50% of the equity interest of Four Star, a joint venture, property held by which to be subsequently transformed into a PickJunction location
 - Acquired our first carpark property for our facilities management business in Singapore through a joint venture
- 2017
- Commenced Work+Store operations at 100 Eunos, the first owned Work+Store Space, and 38 Ang Mo Kio, a property owned by a joint venture
 - Opened the fourth GreenHub Suited Office in Singapore
 - Commenced PickJunction operations at Singapore Handicrafts Building, the first owned PickJunction experience centre
 - Commenced car park management operations in Hong Kong

OUR COMPANY, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES

The following describes the corporate history of our Company and our key operating subsidiaries.

Our Company

Our Company was incorporated on 10 July 2014 in Singapore under the Singapore Companies Act as an investment holding private limited company under the name of LHN Pte. Ltd. to hold the companies comprising our Group. The issued and paid-up share capital at the time was S\$1.00 comprised of 1 share held by HN Group.

Before the listing of our Shares on the Catalist board of the SGX-ST, our Group underwent a restructuring exercise and our Company became the holding company for all of our subsidiaries, joint ventures and associated companies. Pursuant to a share swap agreement dated 10 March 2015 entered into between our Company and HN Group, our Company acquired from HN Group the entire issued and paid-up share capital of LHN Group held by HN Group, comprising an aggregate of 2,000,000 ordinary shares for a total consideration of S\$32,726,559 based on the audited net tangible asset of LHN Group and its subsidiaries of approximately S\$32,726,559 as at 30 September 2014. The purchase consideration was satisfied by the allotment and issuance of an aggregate of 999,999 Shares in the capital of our Company to HN Group, at an issue price of

HISTORY AND CORPORATE STRUCTURE

S\$32.7 per Share, credited as fully paid-up and was arrived at on a willing buyer willing seller basis. Our Company became the holding company of the companies comprising our Group and the total issued and paid-up share capital of our Company became S\$32,726,560 divided into 1,000,000 ordinary shares.

Pursuant to the extraordinary general meeting of our Company held on 10 March 2015, our Shareholders approved the sub-division of each ordinary Share in the then existing share capital of our Company into 275 ordinary Shares. Total issued and paid-up share capital of our Company after such share split became S\$32,726,560 divided into 275,000,000 ordinary Shares.

On 30 March 2015, the then outstanding amount of the redeemable convertible loans of an aggregate sum of S\$2,000,000 extended by 1 Rockstead GIP Fund II Pte Ltd and IFS Capital Limited to our Company pursuant to the terms and conditions of the redeemable convertible loan agreements dated 11 December 2014 entered into between our Company, LHN Group, 1 Rockstead GIP Fund II Pte Ltd and IFS Capital Limited was converted into 11,220,000 Shares (the “**Loan Conversion**”).

On 30 March 2015, our Shareholders also approved the allotment and issuance of 1,391,300 ordinary shares to PPCF in satisfaction of their management fee as sponsor and issue manager of our Company in the Catalist Listing (the “**Allotment of PPCF Shares**”). Following the Loan Conversion and the Allotment of PPCF Shares, total issued and paid-up share capital of our Company became S\$35,046,560 divided into 287,611,300 ordinary shares.

Our Company was converted into a public company and renamed as LHN Limited on 16 March 2015. Our Shares were listed and commenced trading on the Catalist board of the SGX-ST on 13 April 2015. Following the Catalist Listing, which involved the issuance and placement of 73,913,000 Shares at a price of S\$0.23 per Share, total issued and paid-up share capital of our Company became S\$51,239,960 divided into 361,524,300 Shares. See “Statutory and General Information — A. Further Information about Our Company — 2. Changes in share capital of our Company” in Appendix VI to this prospectus for details of repurchase of our Shares, and issue or transfer of shares for our the LHN Performance Share Plan since the Catalist Listing up to the Latest Practicable Date.

On 12 September 2017, all Shares held by HN Group, being 275,000,000 Shares, are transferred to Fragrance Ltd, which is wholly-owned by HN Group, at nil consideration as part of the restructuring of the Lim’s family interests to better manage their interest in our Company.

As of the Latest Practicable Date, our Company is owned as to 76.2945% by Fragrance Ltd, which is wholly-owned by HN Group, which in turn is owned as to 5.0% by Mr. Kelvin Lim, 10.0% by Ms. Jess Lim and 85.0% by HN Capital. Mr. Kelvin Lim and Ms. Jess Lim are siblings. LHN Capital, as the trustee of The LHN Capital Trust established by a deed of trust dated 21 September 2012, holds the entire issued share capital of HN Capital. In turn, Trident Trust Company (B.V.I.) Limited, as the trustee of The Land Banking Trust established by a deed of trust

HISTORY AND CORPORATE STRUCTURE

dated 1 October 2012, holds the entire issued share capital of LHN Capital. Trident Trust Company (B.V.I.) Limited is a licensed trust company incorporated in the BVI which holds a class I trust licence issued under the Banks and Trust Companies Act 1990 of BVI.

The Land Banking Trust is a discretionary purpose trust with the principal purpose of (a) promoting the operation of the businesses owned directly or indirectly by LHN Capital (“**LHN Capital Business**”); and (b) to enable the operation of the LHN Capital Business in accordance with the terms of the business plan. Accordingly, there are no beneficiaries to The Land Banking Trust. Settlor of The Land Banking Trust are Mr. HN Lim, Mdm. Foo Siau Foon and Mr. Kelvin Lim. The protectors of the trust are Mr. Kelvin Lim, Ms. Jess Lim and Ms. Lim Bee Li, sister of Mr. Kelvin Lim and Ms. Jess Lim.

The LHN Capital Trust is a discretionary irrevocable trust which the trustee, LHN Capital, has all powers in relation to the assets comprised in The LHN Capital Trust as the legal owner of such assets, subject to any express restrictions contained in The LHN Capital Trust. The beneficial owners of the assets in the trust fund are the beneficiaries of The LHN Capital Trust which comprise Mr. HN Lim, Mdm. Foo Siau Foon, Mr. Kelvin Lim and Mr. Kelvin Lim’s direct lineal issues (namely, Ms. Lim Yun En, Mr. Lim Wei Yong Matthew, Mr. Lim Wei Yee, Mr. Lin Weichen, Mr. Lim Wei Kheng (Lin Weiqing) and Ms. Lim Yu Yang). Settlor of The LHN Capital Trust are Mr. HN Lim, Mdm. Foo Siau Foon and Mr. Kelvin Lim. The protectors of the trust are Mr. Kelvin Lim, Ms. Jess Lim and Ms. Lim Bee Li, sister of Mr. Kelvin Lim and Ms. Jess Lim.

As at the Latest Practicable Date, our Company is owned as to 23.6344% by the public (as defined in the Catalist Listing Manual) that trades the Shares on the Catalist board of SGX-ST and 0.07% by certain directors of our subsidiaries (not being Directors of our Company).

Please refer to the corporate charts under the section headed “History and Corporate Structure — Corporate and Shareholding Structures” in this prospectus for details of our shareholdings as at the Latest Practicable Date and immediately following the completion of the Global Offering.

HISTORY AND CORPORATE STRUCTURE

Our Subsidiaries, Joint Ventures and Associated Company

We generally establish a subsidiary or a joint venture when we develop a new project, which we believe to be advantageous for our project management process. We set out below the key details of our subsidiaries, joint ventures and associated companies as of the Latest Practicable Date:

Our Subsidiaries

<u>Company name</u>	<u>Date of incorporation</u>	<u>Place of incorporation</u>	<u>Issued and paid-up capital</u>	<u>Principal business</u>	<u>Shareholder(s) as of the Latest Practicable Date (shareholding percentage)</u>
1. LHN Group	4 March 2005	Singapore	S\$2,000,000	Investment holding and space resource management	Our Company (100%)
2. LHN Malaysia	8 June 2015	Malaysia	RM100	Investment holding and space resource management	Our Company (100%)

Space Optimisation

Industrial

3. Soon Wing Investments	12 April 2006	Singapore	S\$25,000	Space resource management	LHN Group (100%)
4. HN Corporation	2 January 2004	Singapore	S\$25,000	Space resource management	LHN Group (100%)
5. LHN Group (China)	12 April 2006	Singapore	S\$100,000	Real estate activities	LHN Group (100%)
6. LHN Xiamen	30 November 2016	PRC	No share capital injected yet	Space resource management and facilities management	LHN Group (China) (100%)
7. Work Plus Store Company	21 September 2004	Singapore	S\$600,000	General warehousing and self-storage	LHN Group (100%)
8. LHN Space Resources	15 July 2009	Singapore	S\$1,200,000	Space resource management and general warehousing	LHN Group (100%)
9. Singapore Handicrafts	28 November 1973	Singapore	S\$4,000,000	General wholesale trade and investment holding	LHN Group (100%)
10. MQ Furnishing	12 July 2012	Singapore	S\$1	Trading and production of furniture and furnishing	Singapore Handicrafts (100%)

HISTORY AND CORPORATE STRUCTURE

Company name	Date of incorporation	Place of incorporation	Issued and paid-up capital	Principal business	Shareholder(s) as of the Latest Practicable Date (shareholding percentage)
11. PickJunction Company	9 October 2013	Singapore	S\$1	Public relations consultancy services and web portals	Singapore Handicrafts (100%)
12. LHN Industrial Space	27 March 2008	Singapore	S\$1,400,000	Space resource management	LHN Group (100%)
<i>Commercial</i>					
13. GH Suited Offices	28 October 2004	Singapore	S\$1,000,000	Space resource management	LHN Group (100%)
14. GH Ventures	21 March 2016	Singapore	S\$1	Inactive	GH Suited Offices (100%)
15. PT HN Group	9 April 2013	Indonesia	Rp29,157,000,000	Space resource management	LHN Group (99%) HN Group (1%)
16. PT Hub Hijau	20 May 2013	Indonesia	Rp3,406,200,000	Space resource management	GH Suited Offices (99%) PT HN Group (1%)
17. LHN Facilities Management	21 August 2007	Singapore	S\$4,000,000	Space resource management	LHN Group (100%)
18. CEC Holdings	4 June 1981	Singapore	S\$100,000	Space resource management and general warehousing	LHN Group (100%)
19. LHN Properties Investments	16 August 2007	Singapore	S\$25,000	Space resource management and general warehousing	LHN Group (100%)
20. HN Facilities Management	5 March 2004	Singapore	S\$600,000	Space resource management and general warehousing	LHN Group (100%)
<i>Residential</i>					
21. GH Yangon	23 April 2013	Myanmar	US\$50,000	Space resource management	GH Suited Offices (99%) LHN Group (1%)
22. LHN Residence	10 March 2008	Singapore	S\$25,000	Space resource management and general contractors	LHN Group (100%)

HISTORY AND CORPORATE STRUCTURE

Company name	Date of incorporation	Place of incorporation	Issued and paid-up capital	Principal business	Shareholder(s) as of the Latest Practicable Date (shareholding percentage)
23. LHN Management Services	16 August 2007	Singapore	S\$25,000	Space resource management	LHN Group (51%) Master Care Services Pte. Ltd. (49%) ⁽¹⁾
Facilities Management					
24. Industrial & Commercial Security	11 January 2005	Singapore	S\$150,000	Security services and installation of fire protection and security alarm systems	LHN Group (100%)
25. Industrial & Commercial Facilities Management	15 May 2009	Singapore	S\$300,000	General contractors and general cleaning services (except households)	LHN Group (100%)
26. LHN Parking	5 September 2007	Singapore	S\$2,800,000	Carpark management and operation services	LHN Group (100%)
27. LHN Parking HK	26 January 2017	Hong Kong	HK\$1,000,000	Carpark management and operation services	LHN Parking (100%)
28. LHN Parking (GMT)	24 June 2016	Singapore	S\$1	Carpark management and operation services	LHN Group (100%)
Logistics Business					
29. HN Logistics	18 June 1997	Singapore	S\$500,000	Freight transport by road and general warehousing	LHN Group (100%)
30. HLA Holdings	26 November 2008	Singapore	S\$715,680	Container services	LHN Group (60%) Mr. Hew Chee Fatt ⁽²⁾ (40%)
31. HLA Container Services	22 March 2013	Singapore	Issued: S\$800,000 Paid-up: S\$612,000 ⁽³⁾	Container services	LHN Group (60%) Mr. Hew Chee Fatt ⁽²⁾ (40%)

HISTORY AND CORPORATE STRUCTURE

Company name	Date of incorporation	Place of incorporation	Issued and paid-up capital	Principal business	Shareholder(s) as of the Latest Practicable Date (shareholding percentage)
32. HLA Holdings (Thailand) ⁽⁴⁾	22 December 2014	Thailand	THB 2,000,000	Investment holding company for container depot management and related services	HLA Container Services (38,400 preference shares) (48%) Ms. Somsri Puyatho ⁽⁵⁾ (20,800 ordinary shares) (26%) Ms. Praijit Puyatho ⁽⁵⁾ (20,000 ordinary shares) (25%) Mr. Hew Chee Fatt ⁽²⁾ (800 preference shares) (1%)
33. HLA Container Services (Thailand) ⁽⁶⁾	23 December 2014	Thailand	THB 2,000,000	Container depot management and related services	HLA Holdings (Thailand) (40,800 ordinary shares) (51%) HLA Container Services (38,400 preference shares) (48%) Mr. Hew Chee Fatt ⁽²⁾ (800 preference shares) (1%)
34. LHN Automobile ⁽⁷⁾	24 June 2016	Singapore	S\$1	Freight transport by road and value added logistics provider	LHN Group (100%)

Notes:

1. Master Care Services Pte. Ltd. (“**Master Care**”) is an Independent Third Party which operates foreign domestic helper agency business. Master Care rented and managed the properties owned by LHN Management Services as dormitory for foreign domestic helpers. As LHN Management Services is an insignificant subsidiary under Chapter 14A of the Listing Rules, the transactions are not considered connected transactions during the Track Record Period.
2. Mr. Hew Chee Fatt is a director and shareholder of HLA Holdings, HLA Container Services, HLA Holdings (Thailand) and HLA Container Services (Thailand).
3. The issued share capital of HLA Container Services is held as to 480,000 shares by LHN Group, which are fully paid, and 320,000 shares by Mr. Hew Chee Fatt, which are partially paid as to S\$132,000. As at the Latest Practicable Date, the balance of S\$188,000 remains unpaid from Mr. Hew Chee Fatt.

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4. HLA Container Services is interested in 38,400 preference shares in HLA Holdings (Thailand). According to the articles of association of HLA Holdings (Thailand), each preference share is entitled to ten votes while each ordinary share is entitled to one vote. HLA Container Services is therefore entitled to 384,000 votes in HLA Holdings (Thailand), being 88.7% of the total voting rights in any general meeting, while other shareholders are entitled to an aggregate of 48,800 votes, being 11.3% of the total voting rights in any general meeting of HLA Holdings (Thailand).

Furthermore, the articles of association of HLA Holdings (Thailand) provides that shareholders holding preference shares shall have the exclusive right to nominate its directors. As such, HLA Container Services, being interested in 38,400 preference shares of HLA Holdings (Thailand), representing 98.0% of the total preference shares in issue, would have control in appointing members to the board of directors of HLA Holdings (Thailand). Therefore HLA Holdings (Thailand) is classified as an indirect non wholly-owned subsidiary of our Company despite the effective percentage of shareholdings held by our Group is less than 50%.

5. Ms. Somsri Puyatho and Ms. Pajit Puyatho are siblings. Ms. Somsri is an employee of HLA Holdings (Thailand). The local laws and regulations require a majority of issued shares of a company incorporated in Thailand to be held by Thai nationals.

6. HLA Container Services is interested in 38,400 preference shares in HLA Container Services (Thailand). According to the articles of association of HLA Container Services (Thailand), each preference share is entitled to ten votes while each ordinary share is entitled to one vote. HLA Container Services is therefore entitled to 384,000 votes in HLA Container Services (Thailand), being 88.7% of the total voting rights in any general meeting, while other shareholders are entitled to an aggregate of 48,800 votes, being 11.3% of the total voting rights in any general meeting of HLA Container Services (Thailand).

Furthermore, the articles of association of HLA Container Services (Thailand) provides that shareholders holding preference shares shall have the exclusive right to nominate directors of HLA Container Services (Thailand). As such, HLA Container Services, being interested in 38,400 preference shares of HLA Container Services (Thailand), representing 98.0% of the total preference shares in issue, would have control in appointing members of the board of directors of HLA Container Services (Thailand). Therefore HLA Container Services (Thailand) is classified as an indirect non wholly-owned subsidiary of our Company despite the effective percentage of shareholdings held by our Group is less than 50%.

7. ACRA has approved the striking off application of LHN Automobile on 29 September 2017. The striking off application was gazetted on 8 November 2017, and the company will be automatically struck off 60 days after the application being gazetted if no objection is raised.

Joint Ventures

Company Name	Date of Incorporation	Place of Incorporation	Issued and Paid-up Capital	Principal Business	Shareholder(s) as of the Latest Practicable Date (Shareholding percentage)
1. Work Plus Store (AMK)	23 October 2015	Singapore	S\$1,000,000	General warehousing and other business support services	Work Plus Store Company (50%) W&S Flexi Pte. Ltd. ⁽¹⁾ (50%)

HISTORY AND CORPORATE STRUCTURE

Company Name	Date of Incorporation	Place of Incorporation	Issued and Paid-up Capital	Principal Business	Shareholder(s) as of the Latest Practicable Date (Shareholding percentage)
2. Four Star ⁽²⁾	31 March 1976	Singapore	S\$3,000,000	Manufacture and wholesale trade of mattresses and cushions except foam rubber products	Singapore Handicrafts (50%) W&S Star Pte. Ltd. ⁽³⁾ (50%)
3. Automobile Pre Delivery Base ⁽⁴⁾	27 June 2016	Singapore	S\$2	Freight transport by road and value added logistics provider	LHN Automobile (50%) APDB Private Limited ⁽⁵⁾ (50%)
4. Metropolitan Parking	27 June 2016	Singapore	S\$200,000	Carpark management and operation services	LHN Parking (GMT) (50%) GMTC Private Limited ⁽⁶⁾ (50%)
5. Work Plus Store (Kallang)	28 November 2017	Singapore	S\$2	General warehousing and other business support services	Four Star (100%)

Notes:

1. W&S Flexi Pte. Ltd. and its ultimate sole shareholder, Mr. Low See Ching, are Independent Third Parties, and, except being joint venture partners of certain joint ventures of our Group, they are not, whether at present or in the past, related to our Group, our Directors, senior management or any of their respective associates. Mr. Low is an executive director of a company listed on the SGX-ST and the ultimate holding company of the landlord of one of our leased properties. To the best of the information, knowledge and belief of our Directors, Mr. Low is knowledgeable and experienced in the real estate business in Singapore and is desirous to form joint ventures with us as he believes in our capacity and business vision. From our Group's perspective, Mr. Low is a respected and reputable professional in the real estate industry in Singapore and it will bring synergies to us and our business for having him as our joint venture partner.
2. Four Star has incorporated a wholly-owned subsidiary, Work Plus Store (Kallang) Pte. Ltd. on 28 November 2017, to operate a Work+ Store location in part of the property owned by Four Star.
3. W&S Star Pte. Ltd. and its ultimate sole shareholder, Mr. Low See Ching, are Independent Third Parties.
4. ACRA has approved the striking off application of Automobile Pre Delivery Base on 29 September 2017. The striking off application was gazetted on 8 November 2017, and the company will be automatically struck off 60 days after the application being gazetted if no objection is raised.
5. APDB Private Limited and its ultimate sole shareholder, Mr. Low See Ching, are Independent Third Parties.
6. GMTC Private Limited and its ultimate sole shareholder, Mr. Low See Ching, are Independent Third Parties.

HISTORY AND CORPORATE STRUCTURE

1. Work Plus Store (AMK)

We set out below a summary of the joint venture agreement (as amended) entered into between us and our joint venture partner for Work Plus Store (AMK):

Date:	8 December 2015
Parties:	(1) Work Plus Store Company, our wholly-owned subsidiary (2) W&S Flexi Pte. Ltd., our joint venture partner (3) Work Plus Store (AMK), our joint venture company
Business of the joint venture:	Unless otherwise agreed by the shareholders of the joint venture company, the objectives of the joint venture company shall be confined to the acquisition and ownership of the 38 Ang Mo Kio property, and the operation of the property as self-storage, warehousing and logistics centre.
Management of the business:	<p>The joint venture shall appoint Work Plus Store Company to provide overall management of the running and operation of the property and pay Work Plus Store Company, on a monthly basis, 10% of the joint venture company's monthly revenue as service fee.</p> <p>The joint venture company shall bear costs related to the day-to-day running and operation of the property, and all outgoings, expenses and costs arising from the management of the property.</p> <p>Work Plus Store Company shall bear costs related to the overall management of the joint venture company, such as common marketing, administration, hiring of finance staff and advertising fees.</p> <p>The unanimous decision of the board shall determine the managerial and financial policies of Work Plus Store (AMK) including, but not limited to, the scope of its activities and operations.</p>
Board of directors:	The board of directors of the joint venture company shall comprise of two directors. Each of Work Plus Store Company and W&S Flexi Pte. Ltd. is entitled to appoint one member onto the board of directors.

HISTORY AND CORPORATE STRUCTURE

- Right of first offer and tag along right: In the event any shareholder intends to sell its shares in the joint venture company to any third party, the shareholder shall first offer the shares to other shareholders.
- Tag along right: In the event a shareholder (the “**Tag Shareholder**”) intends to sell its shares in the joint venture company to a third party, and other shareholders (the “**Other Shareholders**”) elect not to acquire such shares, the Other Shareholders may require the third party or the Tag Shareholder to acquire the same proportion of shares from them on the same terms and conditions contemporaneously.
- Shareholder’s loan: Loans advanced by shareholders of the joint venture company shall bear 5% (or at a rate to be mutually agreed by the shareholders) annual interest. The joint venture company shall repay the shareholder’s loan in whole or in part on such date or dates as its board may decide, provided that repayment shall be made to all shareholders in proportion to the outstanding principal amount of each of their respective shareholder’s loan.
- Deadlock: Deadlock arises in the event of, among others, a resolution of the directors or shareholders of the joint venture company cannot be passed after two successive attempts. In the event of deadlock, the matter shall be first referred to a mediator who is jointly appointed by the chief executive officer of Work Plus Store Company and the chief executive officer of W&S Flexi Pte. Ltd. If no mediator can be agreed upon or the deadlock is not resolved within 30 days after the occurrence of the deadlock, either shareholder may request the matter to be referred to an independent arbitrator for determination and resolution.
- Duration and termination: The agreement shall cease and determine upon the dissolution of the joint venture company.

HISTORY AND CORPORATE STRUCTURE

2. Four Star

We set out below a summary of the shareholders agreement entered into between us and our joint venture partner for Four Star:

Date:	27 July 2016
Parties:	(1) Singapore Handicrafts, our wholly-owned subsidiary (2) W&S Star Pte. Ltd., our joint venture partner
Business of the joint venture:	Unless otherwise agreed by the shareholders of the joint venture company, the objectives of the joint venture company shall be confined to the business of manufacture of made-up textile articles, general wholesale trade and sub-lease of 44 Kallang Place.
Management of the business:	<p>Singapore Handicrafts shall provide the overall supervision, planning and management of the operation of business.</p> <p>The joint venture company shall pay Singapore Handicrafts a monthly management fee equivalent to 10% of the joint venture company's monthly revenue derived from the business (excluding income derived from the joint venture company's manufacturing operations).</p> <p>Singapore Handicrafts shall bear costs related to common marketing and project management.</p> <p>The unanimous decision of the board shall determine the managerial and financial policies of the joint venture company Star including (but not limited to) the scope of its activities and operations.</p>
Board of directors:	The board of directors of the joint venture company shall comprise of two directors. Each of Singapore Handicrafts and W&S Star Pte. Ltd. is entitled to appoint one member onto the board of directors.
Right of first offer and tag along right:	In the event any shareholder intends to sell its shares in the joint venture company to any third party, the shareholder shall first offer the shares to other shareholders.

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- Tag along right: In the event a shareholder (the “Tag Shareholder”) intends to sell its shares in the joint venture to a third party, and other shareholders (the “Other Shareholders”) elect not to acquire such shares, the Other Shareholders may require the third party or the Tag Shareholder to acquire the same proportion of shares from them on the same terms and conditions contemporaneously.
- Shareholder’s loan: Loans advanced by shareholders of the joint venture company shall bear 5% (or at a rate to be mutually agreed by the shareholders) annual interest. The joint venture company shall repay the shareholder’s loan in whole or in part on such date or dates as its board may decide, provided that repayment shall be made to all shareholders in proportion to the outstanding principal amount of each of their respective shareholder’s loan.
- Deadlock: Deadlock arises in the event of, among others, a resolution of the directors or shareholders of the joint venture company cannot be passed after two successive attempts. In the event of deadlock, the matter shall be first referred to a mediator who is jointly appointed by the chief executive officer of Singapore Handicrafts and the chief executive officer of W&S Star Pte. Ltd. If no mediator can be agreed upon or the deadlock is not resolved within 30 days after the occurrence of the deadlock, either shareholder may request the matter to be referred to an independent arbitrator for determination and resolution.
- Duration and termination: The agreement shall cease and determine upon the dissolution of the joint venture company.

3. Automobile Pre Delivery Base

Automobile Pre Delivery Base has been dormant since its incorporation and has not commence operation. No joint venture agreement or shareholders agreement has been entered into with respect to it. We have applied for the striking off of Automobile Pre Delivery Base and the application has been approved by ACRA on 29 September 2017. The striking off application was gazetted on 8 November 2017, and the company will be automatically struck off 60 days after the application being gazetted if no objection is raised.

HISTORY AND CORPORATE STRUCTURE

4. Metropolitan Parking

We set out below a summary of the joint venture agreement (as amended) entered into between us and our joint venture partner for Metropolitan Parking:

Date:	29 June 2016
Parties:	(1) LHN Parking (GMT), our wholly-owned subsidiary (2) GMTC Private Limited, our joint venture partner (3) Metropolitan Parking, our joint venture company
Business of the joint venture:	Unless otherwise agreed by the shareholders of the joint venture company, the objectives of the joint venture company shall be confined to the acquisition and ownership of, and the running and operation of the car park located at 6001 Beach Road, Golden Mile Tower, Singapore.
Management of the business:	LHN Parking (GMT) or its appointed nominee shall provide the overall management of the running and operation of the car park business of the joint venture company. The joint venture company shall pay LHN Parking (GMT) or its appointed nominee a monthly management fee equivalent to 10% of the joint venture company's monthly revenue. The joint venture company shall bear costs related to the day-to-day running and operation of the property and all outgoings, expenses and costs arising from the management of the property. LHN Parking (GMT) or its appointed nominee shall bear costs related to the overall management of the property, such as common marketing administration, hiring of finance staff and advertising fees. The unanimous decision of the board shall determine the managerial and financial policies of Metropolitan Parking including (but not limited to) the scope of its activities and operations.
Board of directors:	The board of directors of the joint venture company shall comprise of two directors. Each of LHN Parking (GMT) and GMTC Private Limited is entitled to appoint one member onto the board of directors.

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Right of first offer and tag along right:	In the event any shareholder intends to sell its shares in the joint venture company to any third party, the shareholder shall first offer the shares to other shareholders.
Tag along right:	In the event a shareholder (the “Tag Shareholder”) intends to sell its shares in the joint venture company to a third party, and other shareholders (the “Other Shareholders”) elect not to acquire such shares, the Other Shareholders may require the third party or the Tag Shareholder to acquire the same proportion of shares from them on the same terms and conditions contemporaneously.
Shareholder’s loan:	Loans advanced by shareholders of the joint venture company shall bear 5% (or at a rate to be mutually agreed by the shareholders) annual interest. The joint venture company shall repay the shareholder’s loan in whole or in part on such date or dates as its board may decide, provided that repayment shall be made to all shareholders in proportion to the outstanding principal amount of each of their respective shareholder’s loan.
Deadlock:	Deadlock arises in the event of, among others, a resolution of the directors or shareholders of the joint venture company cannot be passed after two successive attempts. In the event of deadlock, the matter shall be first referred to a mediator who is jointly appointed by the chief executive officer of LHN Parking (GMT) and the chief executive officer of GMTC Private Limited. If no mediator can be agreed upon or the deadlock is not resolved within 30 days after the occurrence of the deadlock, either shareholder may request the matter to be referred to an independent arbitrator for determination and resolution.
Duration and termination:	The agreement shall cease and determine upon the dissolution of the joint venture company.

5. Work Plus Store (Kallang)

Work Plus Store (Kallang) has not commenced any business operation and, as of the Latest Practicable Date, no joint venture agreement or shareholders agreement has been entered into with respect to it.

Decision Making by our Joint Ventures

According to the joint venture agreements or shareholders agreements entered into for our joint ventures, namely Work Plus Store (AMK), Four Star and Metropolitan Parking, we and the respective joint venture partner each holds 50% of the total issued share capital of the joint venture company, and can each nominate a director to the board of directors of the joint venture company. Therefore, any resolutions to be resolved by the members or the board of directors of our joint venture company, including any major corporate decisions, require unanimous consent from both our joint venture partner and us. The joint venture agreements and shareholders agreements also contain provisions regarding the resolution of deadlock in the event that we and our joint venture

HISTORY AND CORPORATE STRUCTURE

partner fail to reach consent on the management of our joint ventures. See “— Our Company, Subsidiaries, Joint Ventures and Associated Companies — Our Subsidiaries, Joint Ventures and Associated Companies — Joint Ventures” in this section for details.

Associated Company

Company Name	Date of Incorporation	Place of Incorporation	Issued and Paid-up Capital	Principal Business	Shareholder(s) as of the Latest Practicable Date (Shareholding percentage)
1. Nopest Company	25 August 2009	Singapore	S\$20,000	Pest control and pest consultancy services	Industrial & Commercial Facilities Management (50%) Aardvark Consultancy Pte. Ltd. ⁽¹⁾ (50%)
2. HLA Logistics ⁽²⁾	4 December 2017	Singapore	S\$100	Value added logistics providers	South East Asia Medlog Logistics Co. Pte. Ltd. ⁽³⁾ (51%) HLA Container Services (49%)

Note:

1. Aardvark Consultancy Pte. Ltd. and its ultimate shareholder, Ewa Singh, are Independent Third Parties.
2. As of the Latest Practicable Date, HLA Logistics had not commenced any business operations.
3. South East Asia Medlog Logistics Co. Pte. Ltd. and its ultimate shareholders, are Independent Third Parties.

SIGNIFICANT SHAREHOLDING CHANGES

Our Company was listed on the Catalist board of the SGX-ST on 13 April 2015. Since our Catalist Listing, we had no major shareholding changes in our subsidiaries which have been material to the financial performance of our Group during the Track Record Period.

MAJOR ACQUISITIONS

During the Track Record Period, we had made one major acquisition of a joint venture that has been material to our financial performance. We set out below information on our acquisition of Four Star during the track Record Period:

HISTORY AND CORPORATE STRUCTURE

Four Star

On 27 July 2016, Singapore Handicrafts and W&S Star Pte. Ltd., an Independent Third Party, entered into a sale and purchase agreement (the “SPA”) with San (Private) Limited (the “Vendor”), an unrelated Independent Third Party, to purchase the entire issued and paid up share capital of Four Star (the “Acquisition”). The total issued and paid up share capital of Four Star is S\$3,000,000, comprising 3,000,000 shares.

Under the terms of the SPA, Singapore Handicrafts and W&S Star Pte. Ltd. shall each purchase 50% of the issued and paid up capital of Four Star. The total consideration payable to the Vendor, amount to S\$900,000 (the “Purchase Consideration”), would be satisfied entirely in cash and be borne equally by Singapore Handicrafts and W&S Star Pte. Ltd. The Purchase Consideration was arrived at after taking into consideration the latest net tangible asset value of Four Star as at 31 March 2016 amounting to approximately S\$945,700 after adjusting for payment of Four Star’s shareholder’s loan and settlement of the net working capital position by Four Star to the Vendor. On 10 October 2016, 50% of the equity interest of Four Star has been transferred to Singapore Handicrafts and Four Star became a joint venture of our Group. On 20 September 2017, the amount of S\$200,000 out of the consideration paid that was held in escrow by our legal adviser for the acquisition was released to the seller as final settlement for the acquisition.

Save as disclosed above, we have not had any other major acquisitions, disposals or mergers during the Track Record Period that has been material to our financial performance.

OUR INVESTMENT IN WEOFFICES AFTER THE TRACK RECORD PERIOD

On 21 July 2017, GH Suited Offices entered into the WeOffices Investment Agreement with M. VAD HOLDING ApS, Lodberg IVS, Bo Frausing Holding ApS and WeOffices, pursuant to which WeOffices agreed to allot and issue, and GH Suited Offices agreed to subscribe for, a total of 13,461,538 shares in WeOffices in two tranches, representing 17.5% of its total issued share capital of WeOffices after the subscription. On the same day, WeOffices allotted and issued 13,455,622 shares in WeOffices to GH Suited Offices. As of 24 July 2017, GH Suited Offices paid DKK499,010 (equivalent to approximately S\$107,314) to WeOffices in cash. A summary of the principal terms of the WeOffices Investment Agreement is set out below:

Date:	21 July 2017
Parties:	(1) M. VAD HOLDING ApS; (2) Lodberg IVS; (3) Bo Frausing Holding ApS; (4) WeOffices; and (5) GH Suited Offices.

HISTORY AND CORPORATE STRUCTURE

Shares to be subscribed:

First tranche subscription:

13,455,622 shares in WeOffices, representing approximately 17.495% of the total issued share capital of WeOffices upon completion of the first tranche subscription.

Second tranche subscription:

5,916 shares in WeOffices, representing approximately 0.008% of the total issued share capital of WeOffices upon completion of the second tranche subscription

Consideration and
payment terms:

First tranche subscription:

A total of DKK1,497,030, of which, DKK499,010 shall be paid in readily available DKK funds on the closing date for the first tranche subscription, and the remaining portion of the consideration shall be paid when requested by the board of directors of WeOffices for the purpose of acquisition of additional office sites with a minimum of DKK125,000, and in any event no later than the date when WeOffices opens the seventh office location. The board of directors of WeOffices must give a notice of ten business days for the payment demand.

Second tranche subscription:

The consideration for the second tranche subscription shall be:

- (i) 5% of the aggregate net profit after tax of WeOffice for the financial years ended 30 June 2018, 2019 and 2020 if (a) the aggregate net profit after tax of WeOffices for the financial years ended 30 June 2018, 2019 and 2020 amounts to DKK8,982,180 or more; and (b) WeOffices has opened the ninth office site on or before the closing date of the second tranche subscription; or
- (ii) DKK59.16.

The consideration shall be paid in readily available DKK funds on the closing date of the second tranche subscription. The consideration for both tranches will be funded by our internal source of funding.

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The consideration was determined on an arm's length basis after negotiation process among the parties to the WeOffices Investment Agreement after taking into account, among others, the prospects and growth potential of WeOffices.

Closing and completion: The closing date for the first tranche subscription was 21 July 2017. The closing for the second tranche subscription shall take place on the day WeOffices holds the general meeting in 2020 during which the 2019/2020 annual report of WeOffices is to be approved, but in any event on or before 30 November 2020.

On 21 July 2017, GH Suited Offices also entered into the WeOffices Shareholders' Agreement with M. VAD HOLDING ApS, Lodberg IVS, Bo Frausing Holding ApS, WeOffices and Chua Chuan Leong Ventures Pte. Ltd. A summary of the principal terms of the WeOffices Shareholders' Agreement is set out below:

Date: 21 July 2017

Parties:

- (1) M. VAD HOLDING ApS;
- (2) Lodberg IVS;
- (3) Bo Frausing Holding ApS;
- (4) WeOffices;
- (5) Chua Chuan Leong Ventures Pte. Ltd.; and
- (6) GH Suited Offices.

Scope of business: Rental of office spaces.

Capital structure: As of the date of the WeOffices Shareholders' Agreement, the capital structure of WeOffices was as follow:

Shareholder	Number of shares	% of the total issued share capital (approx)
M. VAD HOLDING ApS	34,615,384	45.006%
Lodberg IVS	7,692,308	10.002%
Bo Frausing Holding ApS	7,692,308	10.002%
Chua Chuan Leong Ventures Pte. Ltd.	13,455,622	17.495%
GH Suited Offices	13,455,622	17.495%
Total	76,911,244	100%

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Board of directors: The board of directors of WeOffices shall comprise of six members. M. VAD HOLDING ApS is entitled to appoint two board members, while each of Lodberg IVS, Bo Frausing Holding ApS, Chua Chuan Leong Ventures Pte. Ltd. and GH Suited Offices is entitled to nominate one board member.

Board of management: The board of directors of WeOffices shall appoint one to three executives to the board of management, which shall be in charge of the overall day-to-day management of WeOffices.

Distribution of dividend: Based on commercial principles that secure a reasonable equity.

At the first general meeting of shareholders of WeOffices held more than three years after the date of the WeOffices Shareholders Agreement, a resolution shall be passed to distribute dividends in an amount sufficient to secure that each of Chua Chuan Leong Ventures Pte. Ltd. and GH Suited Offices receives a net dividend in an amount corresponding to the aggregate share subscription price paid in accordance with WeOffices Investment Agreement, provided that WeOffices having sufficient distributable reserves and the discretion of the board of directors of WeOffices in considering whether the distribution is reasonable taken into account the financial position of WeOffices.

Veto rights: Certain corporate actions, including the following, require prior written approval from each of M. VAD HOLDING ApS, Chua Chuan Leong Ventures Pte. Ltd. and GH Suited Offices:

- (1) adopt or change of business plan, strategy or budget;
- (2) any change of auditor, accounting reference date or accounting policies;
- (3) any capital expenditure or loan not included in the approved annual budget;
- (4) enter into any arrangement with any director or shareholder of WeOffices, or any transaction otherwise than on arm's length terms;
- (5) alteration of share capital or articles of association of WeOffices;
- (6) acquisition of business, shares or other securities;
- (7) sale or initial public offering of shares of WeOffices;
- (8) winding up of WeOffices;

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- (9) appointment or dismissal of the board of management of WeOffices, or any decision as to material terms of the employment of the board of management of WeOffices, including but not limited to remuneration and incentives;
- (10) purchase of assets with consideration exceeding DKK500,000 if not included in the approved annual budget; and
- (11) enter into agreement with value exceeding DKK500,000 if not in the ordinary course of business of WeOffices.

Pre-emptive rights:	In the event of capital increase or issuance of shares by WeOffices, save for any issuance in connection with employee share incentive scheme, the parties to the WeOffices Shareholders' Agreement have the right to subscribe for capital or shares in proportion to their then shareholdings at the time of capital increase or issuance of shares.
Right of first refusal:	In the event a shareholder intends to transfer any its shares in WeOffices, such shares must be first offered to other existing shareholders of WeOffices.
Right of co-sale:	In the event a shareholder intends to transfer its shares in WeOffices to a third party not being an existing shareholder of WeOffices, other shareholders may request such third party to acquire their shares on similar terms and conditions.
Drag-along:	In the event a bona fide offer to purchase the entire issued share capital of WeOffices is made by a third party not being an existing shareholder of WeOffices, and that M. VAD HOLDING ApS, Chua Chuan Leong Ventures Pte. Ltd. and GH Suited Offices all wish to accept such offer, other shareholders of WeOffices are obliged to sell their shares to the third party on the same terms.

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Exit: Exit shall mean an event whereby all or materially all of the value of WeOffices is realised in consideration for cash or liquid shares, including but not limited to initial public offering, sale of shares, entering into partnership or joint venture arrangement, merger and sale of assets or business. If no exit has occurred before 31 December 2022, M. VAD HOLDING ApS, Chua Chuan Leong Ventures Pte. Ltd. and GH Suited Offices, if agreed among themselves, may engage a reputable investment bank or financial investor on behalf of WeOffices to evaluate the possibilities of a potential exit of shareholders of WeOffices. WeOffices and other shareholders shall be obliged to participate in and vote in favor of the exit if approved by each of M. VAD HOLDING ApS, Chua Chuan Leong Ventures Pte. Ltd. and GH Suited Offices.

Information of WeOffices

WeOffices was incorporated on 5 July 2016 and is principally engaged in the business of rental of serviced office space in Denmark. As at the Latest Practicable Date, WeOffices operated two serviced office spaces located in Denmark. According to the audited financial information of WeOffices as at 30 June 2017, the net asset value of WeOffices was approximately DKK203,088 (or equivalent to approximately S\$43,675). The net loss of WeOffices for the 12 months ended 30 June 2017 based on the unaudited financial information of WeOffices amounted to DKK296,912 (or equivalent to approximately S\$63,852), respectively.

Information of other shareholders of WeOffices

M. VAD HOLDING ApS is a company incorporated in Denmark with limited liability which principally engaged in construction engineering consultancy business. As at the Latest Practicable Date, the company is wholly-owned by Mr. Malthe Lønstrup Vad, the founder of WeOffices.

Lodberg IVS is a company incorporated in Denmark with limited liability which principally engaged in providing consultancy services in management and business development. As at the Latest Practicable Date, the company is wholly-owned by Mr. Jesper Lodberg, a board member of WeOffices.

Bo Frausing Holding ApS is a company incorporated in Denmark with limited liability which principally engaged in investment holding. As at the Latest Practicable Date, the company is wholly-owned by Mr. Bo Frausing Christensen, the chairman of WeOffices.

Chua Chuan Leong Ventures Pte. Ltd. is a company incorporated in Singapore with limited liability which principally engaged in investment holding. As at the Latest Practicable Date, the company is indirectly owned as to 49% by AAA Asset Holdings Limited, a company incorporated

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in Bahamas with limited liability, and as to 51% by Mr. Chua Geok Eng. Goldbell Car Rental Pte. Ltd., a tenant of our Group under our space optimization business, is also indirectly wholly-owned by Mr. Chua Geok Eng.

M. VAD HOLDING ApS, Lodberg IVS, Bo Frausing Holding ApS, Chua Chuan Leong Ventures Pte. Ltd., and their respective ultimate beneficial owners, are Independent Third Parties.

Reasons for and Benefits of the Acquisition

Our Directors consider the investment in WeOffices can bring synergies to our GreenHub Suited Offices business as (i) it enhances our brand value by recognising our GreenHub Suited Offices as part of a global network, (ii) it extends our brand exposure to European countries, and (iii) the potential customer referral in the future between our GreenHub Suited Offices business and WeOffices can widen our customer base as it allows us to cater the needs of customers with operations in both Asia and Europe.

Our Directors consider the terms of the investment in WeOffices are on normal commercial terms, and fair and reasonable, and the investment in WeOffices is in the interests of our Company and our Shareholders as a whole.

REASONS FOR THE LISTING

We have since 13 April 2015 been listed on the Catalist board of the SGX-ST. Our Board is also of the view that the net proceeds of approximately HK\$55.6 million from the Global Offering after deducting the underwriting commissions and other estimated offering expenses payable by us, and assuming the initial Offer Price of HK\$2.13 per Share, being the mid-point of the indicative Offer Price range set forth on the cover page of this prospectus, the Listing and the Global Offering will provide us with the necessary funding for our business expansions as disclosed in “Business — Our Business Strategies” in this prospectus. Furthermore, our Directors believe that the Listing on the Hong Kong Stock Exchange is beneficial to us for our business expansions and our long term goals for the following reasons, which is beneficial to our Company and our Shareholders as a whole notwithstanding the substantial expenses involved:

- ***Strategic location of the stock market in-line with our expansion plan.*** As disclosed in the section “Business — Our Business Strategies” in this prospectus, we are currently pursuing our existing expansion plan into the PRC and Hong Kong. Our Directors believe that the Hong Kong Stock Exchange is strategically an ideal venue for our Company’s dual-primary listing as Hong Kong is a special administrative region of the PRC, it has close trading and business links to the PRC, and it provides exposure to the PRC, and as such, it can strengthen our positioning and enhances our brand name in the Greater China region for our expansion. Furthermore, with our existing and future expansion plan in the PRC, it is an important strategy for us to obtain a dual-primary listing in Hong Kong;

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- ***Hong Kong as an international finance centre.*** Hong Kong is one of the international finance centres. With a dual-primary listing status on the Hong Kong Stock Exchange, we not only can capitalise as a listed company in Singapore but also as a listed company in Hong Kong to further reinforce our corporate profile, brand awareness and market reputation. With our recent investment in WeOffices, an international reputation is important for any further investment overseas and allows us to have a stronger bargaining power to negotiate better investment terms, which in turn allows us to have better potential return on investment in the future and for the interest of our Shareholders as a whole;
- ***Higher valuation in the Hong Kong market.*** As at the Latest Practicable Date, the weighted average price-earnings ratio of all listed companies on the Hong Kong Stock Exchange was approximately 39.7 times, which is significantly higher than the weighted average price-earnings ratio of all listed companies on the SGX of approximately 16.9 times. As such, the Listing will provide an efficient mean to reflect our value and provide our Shareholders an opportunity to realise the value by holding such shares on the Hong Kong Stock Exchange;
- ***Different pool of investors.*** Our Directors believe that the Hong Kong investors and the Singapore investors are different pools of investors. With a dual-primary listing in Hong Kong, we can gain access to the Hong Kong capital market and allow us to have a wider range of professional and institutional investors;
- ***Better access to capital and future fund raising.*** In 2016, according to the information published by the Hong Kong Stock Exchange, the amounts of initial public offering (IPO) funds raised from new listings and post-IPO equity fund raised by listed companies through the Hong Kong Stock Exchange were approximately HK\$195.3 billion (equivalent to approximately US\$25.0 billion) and HK\$294.7 billion (equivalent to approximately US\$37.8 billion), respectively. In comparison, the amounts of IPO and post-IPO funds raised through SGX in 2016 were approximately US\$1.7 billion and US\$3.9 billion, respectively. Our Directors believe that the above numbers of the Hong Kong Stock Exchange have shown evidence that there is a stronger investor support for listed companies on the Hong Kong Stock Exchange on both primary and secondary funds raising. Furthermore, the markets of the Hong Kong Stock Exchange continues to attract investors from the PRC. The Cash Market Transaction Survey 2016 conducted by the Hong Kong Stock Exchange showed that the contribution by investors from the PRC trading in the Hong Kong securities market increased at a CAGR of approximately 13.8% from 2010 to 2016. As such, the Listing in Hong Kong will allow us to have a dual channel coupled with our listing on the Catalist board for fund raising in the future;
- ***Ability to attract talents in Hong Kong and the PRC.*** With our existing expansion plan in the Greater China region, our Directors believe that the listing status on the Hong Kong Stock Exchange will provide a sense of belongingness for the employees in the

HISTORY AND CORPORATE STRUCTURE

region as a Hong Kong listed company rather than a Singapore listed company, which will in turn allow us to be able to hire, motivate and retain good employees, and further expand our business in the region; and

- ***Similar legal system, regulatory framework and international accounting standards as Singapore.*** Hong Kong and Singapore have numerous similarities where both are common law jurisdictions with stringent regulatory framework, and both promote the use of International Financial Reporting Standards. As such, our Directors believe the dual-primary listing in Hong Kong will provide confidence to our Shareholders and potential investors.

OUR CATALIST LISTING

Our Controlling Shareholders in Singapore

As for the controlling shareholders for the purpose of the Catalist Listing, as disclosed in the Catalist Listing offer document dated 1 April 2015, the controlling shareholders were Trident Trust, LHN Capital, HN Capital, HN Group, Mr. HN Lim, Mr. Kelvin Lim and Ms. Jess Lim. Pursuant to the Catalist Listing Manual, a “controlling shareholder” is a person who (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company, (the SGX-ST may determine that a person who satisfies this criteria is not a controlling shareholder); or (b) in fact exercises control over a company. Trident Trust and LHN Capital, being trustees of The Land Banking Trust and The LHN Capital Trust, respectively, are considered to be interested in 15% or more of the Shares of our Company under the Companies Act, and therefore are considered controlling shareholders under the Catalist Listing Manual. As for HN Capital and HN Group, as these companies holds directly or indirectly 15% or more of the Shares of our Company, HN Capital and HN Group are therefore considered controlling shareholders under the Catalist Listing Manual. As for Mr. HN Lim, although Mr. HN Lim did not fall within paragraph (a) or (b) above at the point of Catalist Listing, we, out of prudence, decided to consider him a controlling shareholder for the purpose of the Catalist Listing based on the facts and circumstances at the time as he was a settlor and beneficiary of the LHN Capital Trust, which was set up shortly before the Catalist Listing application, the founder of the Group, and in particular, had then only retired about a year earlier at the time. As for Mr. Kelvin Lim, as he is a beneficiary of The LHN Capital Trust and also a director of LHN Capital, HN Capital, HN Group and our Company, he is therefore deemed to be able to exercise control over our Company and is deemed to be a controlling shareholder of our Company for the Catalist Listing. As for Ms. Jess Lim, as she is Mr. Kelvin Lim’s sibling, and is also a director of LHN Capital, HN Capital, HN Group and our Company, she is therefore deemed to be able to exercise control over our Company and is deemed to be a controlling shareholder of our Company for the Catalist Listing. However, Mdm. Foo Siau Foon was not considered as a controlling shareholder of our Company for the Catalist Listing since she only receives an economic benefit under The LHN Capital Trust but has no control over the property comprised in The LHN Capital Trust and also does not have any voting rights in or exercise control over our Company.

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On 12 September 2017, all Shares held by HN Group in our Company were transferred to Fragrance Ltd., which is wholly-owned by HN Group at nil consideration as part of the restructuring of the Lim's family interest to better manage their interest in our Company. As such, Fragrance Ltd. is also a controlling shareholder in Singapore under the Catalist Listing Manual since 12 September 2017 as Fragrance Ltd. holds directly or indirectly 15% or more of the Shares of our Company.

However, for the purpose of the Listing, our Company has a different set of Controlling Shareholders. Please see "Relationship with Our Controlling Shareholders — Our Controlling Shareholders" for details. In particular, Mr. HN Lim and Mdm. Foo Siau Foon are not considered our Controlling Shareholders for the purpose of the Listing, despite the fact that both of them are settlors of each of The Land Banking Trust and The LHN Capital Trust. Settlers of The Land Banking Trust do not have any power or rights in relation to the management of the trust. For The LHN Capital Trust, if at any time there is no member in the committee of protectors, the trustee may appoint any person to be member of the committee of protectors after consulting with the settlors. Other than this, settlors of The LHN Capital Trust do not have any power or rights in relation to the management of the trust. Furthermore, the settlors of The Land Banking Trust and The LHN Capital Trust have no power under the respective trust deed to remove or appoint protectors. Therefore, Mr. HN Lim and Mdm. Foo Siau Foon, being settlors but not protectors of The Land Banking Trust and The LHN Capital Trust, and without any powers or rights in the two trusts, are not considered as our Controlling Shareholders for the purpose of the Listing. As for Ms. Lim Bee Li, since she is considered a Controlling Shareholders for the purpose of the Listing, we will be deeming Ms. Lim Bee Li as a controlling shareholder of our Company in Singapore with effect upon the Listing.

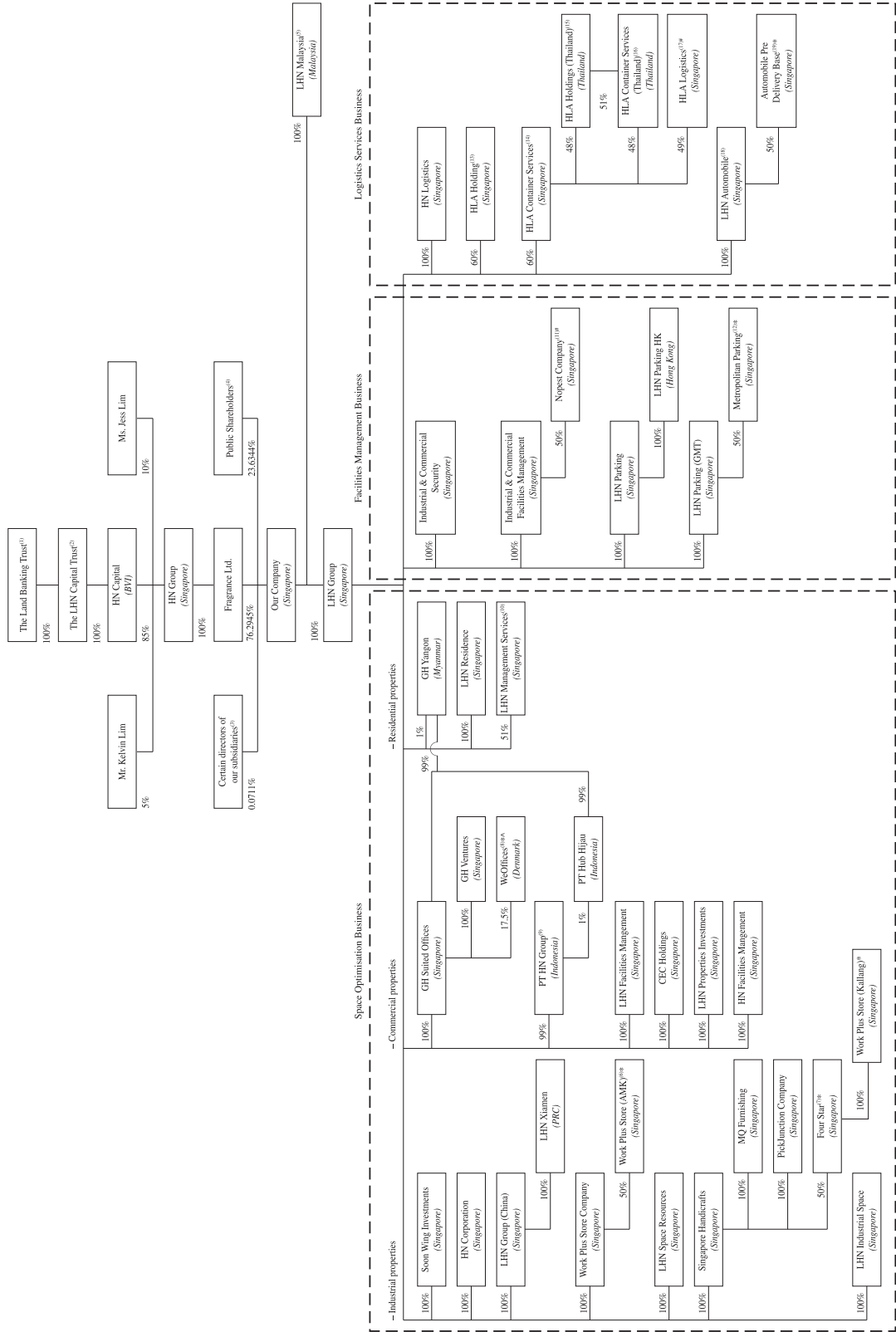
Compliance with the Catalist Listing Manual since the Catalist Listing

Since the date of our Catalist Listing and up to the Latest Practicable Date, our Directors and our Singapore legal advisers confirm that we had no instances of non-compliance with the Catalist Listing Manual in any material respects and to the best knowledge of our Directors after having made all reasonable enquiries, there is no matter that should be brought to investors' attention in relation to our compliance record on the Catalist board of the SGX-ST.

HISTORY AND CORPORATE STRUCTURE

CORPORATE AND SHAREHOLDING STRUCTURE

We set out below our corporate structure chart as at the Latest Practicable Date:



HISTORY AND CORPORATE STRUCTURE

Notes:

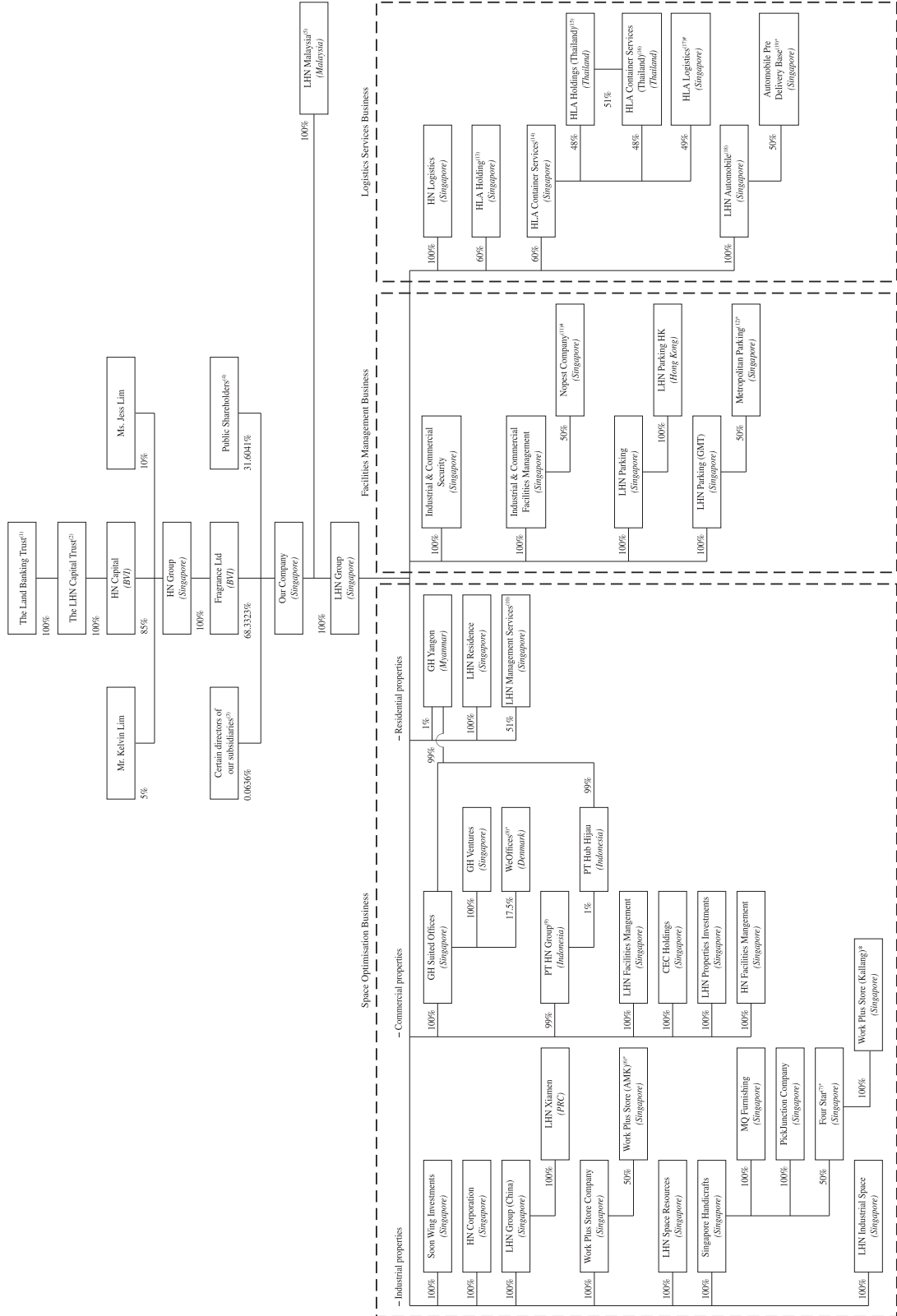
- (1) Thee Land Banking Trust is a discretionary purpose trust with the principal purpose of (a) promoting the operation of the businesses owned directly or indirectly by LHN Capital (“LHN Capital Business”); and (b) to enable the operation of the LHN Capital Business in accordance with the terms of the business plan. Accordingly, there are no beneficiaries to The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital. Trident Trust Company (B.V.I.) Limited is a licensed trust company incorporated in the British Virgin Islands which holds a class I trust licence issued under the Banks and Trust Companies Act 1990 of the British Virgin Islands.
- (2) The LHN Capital Trust is a discretionary irrevocable trust which the trustee, LHN Capital, has all powers in relation to the property comprised in The LHN Capital Trust as the legal owner of such property, subject to any express restrictions contained in The LHN Capital Trust. The beneficial owners of the property in the trust fund are the beneficiaries of The LHN Capital Trust which comprise Mr. HN Lim, Mdm. Foo Siau Foon, Mr. Kelvin Lim and Mr. Kelvin Lim’s direct lineal issues (namely, Ms. Lim Yun En, Mr. Lim Wei Yong Matthew, Mr. Lim Wei Yee, Mr. Lin Weichen, Mr. Lim Wei Kheng (Lin Weiqing) and Ms. Lim Yu Yang). LHN Capital, as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital.
- (3) As at the Latest Practicable Date, Ms. Chong Ching Yeng (director of LHN Malaysia), Mr. Danny Wong (director of GH Suited Offices, GH Ventures, PT HN Group and PT Hub Hijau), and Mr. Ong Siang Lim Jeremy (director of LHN Parking HK and brother-in-law of Mr. Kelvin Lim and Ms. Jess Lim, and husband of Ms. Lim Bee Li) held 19,500 Shares, 106,000 Shares and 130,700 Shares of our Company, respectively, representing 0.0054%, 0.0294% and 0.0363% of the total issued capital of our Company, respectively.
- (4) As defined in the Listing Rules.
- (5) During the Track Record Period, LHN Malaysia has no business operations.
- (6) Work Plus Store (AMK) is owned as to 50% by W&S Flexi Pte. Ltd.. W&S Flexi Pte. Ltd. and its ultimate shareholder, Mr. Low See Ching, are Independent Third Parties.
- (7) Four Star is owned as to 50% by W&S Star Pte. Ltd. W&S Star Pte. Ltd. and its ultimate shareholder, Mr. Low See Ching, are Independent Third Parties.
- (8) Please see “— Our Investment in WeOffices After the Track Record Period” above for further details. Furthermore, as we only hold 17.5% of the total issued share capital of WeOffices and we do not exercise any control or any significant influence over WeOffices and its underlying business, WeOffices will not be treated as our subsidiary or our associate. Our Shares in WeOffices will be recognised as available-for-sale equity securities in our financial statements.
- (9) PT HN Group is owned as to 1% by HN Group, a Controlling Shareholder of our Company.
- (10) LHN Management Services is owned as to 49% by Master Care Services Pte. Ltd. (“Master Care”). Master Care and its ultimate shareholder, Ang Boon How, Lim Lam Choor, Yeo Lin Ling (Yang Lingling) and Tay Khoon Beng, are Independent Third Parties. Master Care operates foreign domestic helper agency business, and rented and managed the properties owned by LHN Management Services as temporary settlement for foreign domestic helpers.
- (11) Nopest Company is owned as to 50% by Aardvark Consultancy Pte. Ltd.. Aardvark Consultancy Pte. Ltd. and its ultimate shareholder, Ewa Singh, are Independent Third Parties.
- (12) Metropolitan Parking is owned as to 50% by GMTC Private Limited. GMTC Private Limited and its ultimate shareholder, Mr. Low See Ching, are Independent Third Parties.

HISTORY AND CORPORATE STRUCTURE

- (13) HLA Holdings is owned as to 40% by Mr. Hew Chee Fatt. Mr. Hew Chee Fatt is a director and shareholder of HLA Holdings, HLA Container Services, HLA Holdings (Thailand) and HLA Container Services (Thailand).
- (14) HLA Container Services is owned as to 40% by Mr. Hew Chee Fatt. Mr. Hew Chee Fatt is a director and shareholder of HLA Holdings, HLA Container Services, HLA Holdings (Thailand) and HLA Container Services (Thailand).
- (15) HLA Holdings (Thailand) is owned as to 26% by Ms. Somsri Puyatho, 25% by Ms. Paijit Puyatho, both of whom are Independent Third Parties, and 1% by Mr. Hew Chee Fatt, Mr. Hew Chee Fatt is a director and shareholder of HLA Holdings, HLA Container Services, HLA Holdings (Thailand) and HLA Container Services (Thailand).
- (16) HLA Container Services (Thailand) is owned as to 1% by Mr. Hew Chee Fatt, Mr. Hew Chee Fatt is a director and shareholder of HLA Holdings, HLA Container Services, HLA Holdings (Thailand) and HLA Container Services (Thailand).
- (17) HLA Logistics is owned as to 51% by South East Asia Medlog Logistics Co. Pte. Ltd. South East Asia Medlog Logistics Co. Pte. Ltd. and its ultimate shareholders, are Independent Third Parties.
- (18) We have applied for the striking off of LHN Automobile and the application has been approved by ACRA on 29 September 2017. The striking off application was gazetted on 8 November 2017, and the company will be automatically struck off 60 days after the application being gazetted if no objection is raised.
- (19) Automobile Pre Delivery Base is owned as to 50% by APDB Private Limited. APDB Private Limited and its ultimate shareholder, Mr. Low See Ching, are Independent Third Parties. We have applied for the striking off of Automobile Pre Delivery Base and the application has been approved by ACRA on 29 September 2017. The striking off application was gazetted on 8 November 2017, and the company will be automatically struck off 60 days after the application being gazetted if no objection is raised.
- * The company is a joint venture of our Group and is not consolidated into the consolidated financial statements of our Group.
- # The company is an associated company of our Group and is not consolidated into the consolidated financial statements of our Group.
- ^ Our interest in WeOffices is recognised as available-for-sale equity securities in our financial statements and WeOffices is not consolidated into the consolidated financial statements of our Group.

HISTORY AND CORPORATE STRUCTURE

We set out below our corporate structure chart immediately upon completion of the Global Offering (assuming no Shares are allotted and issued pursuant to the exercise of options to be granted under the Share Option Scheme and assuming no Shares are issued or repurchased by our Company pursuant to the general mandate):



HISTORY AND CORPORATE STRUCTURE

Notes:

- (1) The Land Banking Trust is a discretionary purpose trust with the principal purpose of (a) promoting the operation of the businesses owned directly or indirectly by LHN Capital (“LHN Capital Business”); and (b) to enable the operation of the LHN Capital Business in accordance with the terms of the business plan. Accordingly, there are no beneficiaries to The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital. Trident Trust Company (B.V.I.) Limited is a licensed trust company incorporated in the British Virgin Islands which holds a class I trust licence issued under the Banks and Trust Companies Act 1990 of the British Virgin Islands.
- (2) The LHN Capital Trust is a discretionary irrevocable trust which the trustee, LHN Capital, has all powers in relation to the property comprised in The LHN Capital Trust as the legal owner of such property, subject to any express restrictions contained in The LHN Capital Trust. The beneficial owners of the property in the trust fund are the beneficiaries of The LHN Capital Trust which comprise Mr. HN Lim, Mdm. Foo Siau Foon, Mr. Kelvin Lim and Mr. Kelvin Lim’s direct lineal issues (namely, Ms. Lim Yun En, Mr. Lim Wei Yong Matthew, Mr. Lim Wei Yee, Mr. Lin Weichen, Mr. Lim Wei Kheng (Lin Weiqing) and Ms. Lim Yu Yang). LHN Capital, as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital.
- (3) As at the Latest Practicable Date, Ms. Chong Ching Yeng (director of LHN Malaysia), Mr. Danny Wong (director of GH Suited Offices, GH Ventures, PT HN Group and PT Hub Hijau), and Mr. Ong Siang Lim Jeremy (director of LHN Parking HK and brother-in-law of Mr. Kelvin Lim and Ms. Jess Lim, and husband of Ms. Lim Bee Li) held 19,500 Shares, 106,000 Shares and 130,700 Shares of our Company, respectively, representing 0.0048%, 0.0263% and 0.0325% of the total issued capital of our Company, respectively.
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- (8) Please see “— Our Investment in WeOffices After the Track Record Period” above for further details. Furthermore, as we only hold 17.5% of the total issued share capital of WeOffices and we do not exercise any control or any significant influence over WeOffices and its underlying business, WeOffices will not be treated as our subsidiary or our associate. Our Shares in WeOffices will be recognised as available-for-sale equity securities in our financial statements.
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OVERVIEW

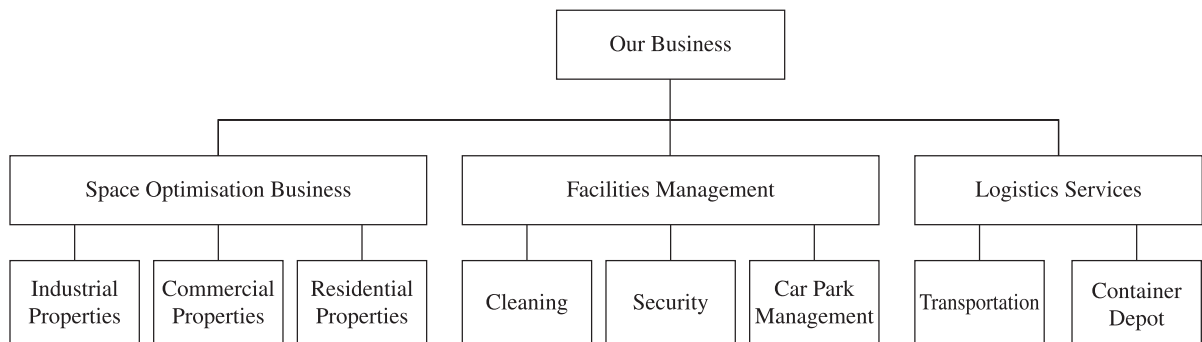
We are a real estate management service provider and logistics service provider headquartered in Singapore with operations in Asia, principally in Singapore. Our three business segments include space optimisation business, facilities management business and logistics services business. As at the Latest Practicable Date, we have operations in Singapore, Indonesia, Thailand, Myanmar and Hong Kong. We have also established a subsidiary in the PRC for our expansion into the PRC as at the Latest Practicable Date.

We have a long history in leasing and optimising space for leasing to tenants in Singapore. The executive chairman of our Board, Mr. Kelvin Lim, has been in the property leasing and space optimisation business for close to 20 years. We commenced leasing properties in 2002 and then started diversifying into optimising space in 2006 after being in the property leasing business for a few years. For our space optimisation business, we first started by optimising industrial properties and then gradually expanded into commercial and residential properties. We optimise space through renovation and space planning before we launch the property through leasing. As at the Latest Practicable Date, we have a total of 33 properties that we leased or owned with a total GFA of approximately 3,812,300 sq.ft. and a total NLA of approximately 3,807,200 sq.ft., of which 19, 12 and two are industrial, commercial and residential properties, respectively.

We also have two other business segments, namely, facilities management business and logistics services business. Our facilities management operations started in 2005 to provide facilities management services to properties in our space optimisation business. Since then, we have expanded our operations to service outside customers.

As for our logistics services business, which we have expanded into in 2003, it primarily provides transportation services (including base oil and bitumen transportation, and chemical transportation), container depot management services, container depot services and other ancillary services.

With our three business segments, we have a broad range of capabilities with principal activities encompassing the optimisation of leasing space, management of lease properties and provision of logistics services. The following illustration demonstrates the principal services that we offer:



OUR COMPETITIVE STRENGTHS

We have a long history in the space optimisation business and have market reputation for offering quality properties for rent.

We have a long history in optimising space for leasing to tenants in Singapore. We began leasing properties to tenants in 2002 and then started diversifying into space optimisation business in 2006. Our space optimisation business first started by optimising industrial properties and gradually expanding into commercial and residential properties.

With over fifteen years of experience, we have an understanding and experience in the market demands and requirements, especially in Singapore. With our knowledge of the industry, we understand the market preference and needs, which have enabled us to consistently identify properties with good rental potential, designing and refurbishing the properties to maximise their rental potential and meeting our tenants' and customers' needs. We believe by offering quality properties and understanding the needs of our tenants, we are able to attract new tenants and customers and to encourage existing tenants and customers to renew their leases and services with us. With this competitive advantage, we are able to have a high occupancy rate at our properties. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, the average occupancy rate of our industrial properties were 95.1%, 92.9%, 94.0%, and 88.4%, respectively, the average occupancy rate of our commercial properties were 90.5%, 95.9%, 94.0% and 90.9%, respectively, and average occupancy rate of our residential properties were 99.0%, 97.2%, 93.8% and 99.4%, respectively. See "Financial Information — Factors Affecting Our Results of Operations — Our Property Portfolio" in this prospectus for more information. Furthermore, with our facilities management business, we are able to provide efficient and reliable facilities management so that we can better control the quality and service level provided by our facilities management team.

As a testament of our operational excellence and quality customer' service, we were recognised by the Singapore Quality Class on 30 April 2017 for commendable performance in business excellence. We have also been awarded the Singapore Prestige Brand Award — Established Brands for the years 2015 and 2016, which was jointly awarded by Association of Small & Medium Enterprises and Lianhe Zaobao in Singapore in recognition of our strong brand. With the recognition of our operations, services and brand name, we believe it provides us with the competitive advantage to instil confidence in our tenants and customers for the quality of our properties offerings and services. It also allows us to leverage on our brand recognition to expand overseas as we believe it will provide our tenants and customers of our reliability and accountability.

Furthermore, on 19 September 2017, we have been awarded by the Securities Investors Association Singapore as the winner of the Singapore Corporate Governance Award 2017, Catalyst Category to recognise our outstanding efforts in improving corporate governance. The award has been granted after we have been jointly evaluated by the Securities Investors Association Singapore together with National University of Singapore School of Business, Centre of Governance, Institutions and Organisations, who partnered with Thomson Reuters research which criteria focuses

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on company's good governance practices that culminates in shareholders' interest, and endorsed by esteemed industry organisations and institutions. We believe this award is a testament of our strong reputation, management and internal controls, and as a listed company on the Catalist board in Singapore. We believe this provides us with a competitive edge in providing a level of assurance to our Shareholders and potential investors upon completion of the Listing, in Hong Kong, as a dually listed company on the Main Board of the Hong Kong Stock Exchange and on the Catalist board of the SGX-ST. We also believe this enables us to further strengthen our market reputation and confidence for our customers, tenants, landlords, suppliers and joint venture partners for our business operations and expansions as disclosed in "— Our Business Strategies" below.

Our space optimisation business and facilities management business are integrated and complement one another to maximise our returns.

Our space optimisation business and facilities management business are fully integrated and complement one another in order to maximise our returns.

Our space optimisation business is supported by our facilities management business, which provides our properties that we lease or own for subletting in Singapore facilities management services, including security services, cleaning services and car park management services. We believe this will decrease our operation cost and increase our profit margin for our properties as we can better control the cost and improve our economies of scale. Furthermore, our facilities management business also services properties of external customers that we manage through asset management arrangements and to external customers, which allow us to understand the requirements of third party landlords and their operations. With such information, we can better improve our services and improve our services in our properties.

We believe with this ecosystem that we have created sets us apart from our competitors as we can maximise our returns through having the ability to cross-offer our services to our tenants and customers whom carry on different businesses, which in turn could further strengthen our relationship with our tenants and customers, increase our revenue and maximise our returns.

We have a comprehensive services mix to cater to different needs of our tenants and our customers.

We offer a comprehensive portfolio of properties which caters to needs of our tenants and customers in different markets. We not only offer traditional commercial, industrial and residential properties, but also offer properties with value-added features and services, such as our GreenHub Suited Offices, 85SOHO serviced residence, Work+Store spaces and valet, and PickJunction spaces.

Our GreenHub Suited Offices provide suited offices with flexible lease terms and a wide range of different options in terms of locations, size of rooms and other optional value-added services, targeting to cater to different needs of business office users. Our targeted tenants and customers for our GreenHub Suited Offices are businesses that do not require a large physical presence, such as SMEs, start-ups and global or multi-national corporations without a large presence in the country. As we operate GreenHub Suited Offices in Singapore and in Jakarta, Indonesia, our GreenHub

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Suited Offices tenants and customers may also use our services in the other country, which we believe provides additional flexibility to our tenants and customers. We also offer 85SOHO serviced residences targeting professionals, expatriates and young families, who may not need a full-time domestic help at home but may find serviced residence option attractive.

Our Work+Store spaces offer our tenants a combined storage and work space. We target this especially to SMEs including e-commerce websites operators where they would require a space for storage and a work area to process their online orders. Work+Store spaces tenants also have access to delivery services if needed for their business operations. There are also additional self-storage spaces that tenants can lease from to provide greater flexibility. We also offer Work+Store valet, which is a storage service offering convenient pick-up, storage and delivery services and ideal for individuals and businesses which may not require a large space and find the valet services appealing.

Our PickJunction spaces offer designers and furniture experiential spaces whereby our customers can rent a storage space and we will provide services such as providing on-site promoters if visitors would like to view our customers' furniture and merchandises to decide whether to purchase the furniture and merchandises and e-commerce website support to facilitate online sales of our designer customers' merchandises. See “— Our Business — Space Optimisation Business” to this prospectus for more information. We believe by offering a wide range of properties and services, we can offer different properties to different tenants and customers thereby widening our revenue base, and increasing our revenue as a result.

As for our facilities management business, it provides services for our properties and also services to external customers. Our facilities management business offers services such as comprehensive cleaning and related services, car park management services and security services. We believe the suite of services in the facilities management business complements each other, and also strengthens our space optimisation business as we can stay current with the market for our services.

Similarly, we offer a comprehensive portfolio of services under our logistics services business, such as transportation services, container depot management services and container depot services. We currently offer container depot services directly to our customers and also container depot management services for container depot operators who wish to generate a stable source of income while outsourcing the management to other parties. For our transportation services, we not only offer our customers transportation of ISO tanks but also services such as making arrangements to pick-up the ISO tanks, preparation of the tanks for cargo loading and servicing of the ISO tanks. Our customers may also store their containers at our container depot. At our container depot, we offer our customers a wide range of services, including cleaning, inspection, repair and maintenance, and preparation of the containers before they are picked-up by our customers or by their logistics forwarders, or for us to fulfil orders under our transportation services.

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We believe with the wide range of integrated services under our space optimisation business, facilities management business and logistics services business, not only can we provide a wide range of services to our tenants and customers, but we believe we can also create traction with our tenants and customers to create loyalty to us and to strengthen our relationships to enable us to successfully grow our business in terms of scale and breadth.

We have an experienced and stable management team with extensive industry knowledge.

We have an experienced management team with extensive knowledge of our industries. Our management team consists of our two executive Directors, two senior management and other managers for our day-to-day business.

Mr. Kelvin Lim, the executive chairman of our Board, and Ms. Jess Lim, our executive Director, each have over 15 years experience in our businesses. In particular, Mr. Kelvin Lim and Ms. Jess Lim have begun their career in property management in 1997 and 2002, respectively. With the growth of our business into the facilities management business and the logistics services business, they have successfully grown our businesses, and led our Group to our Catalist Listing. Furthermore, our executive senior management, Mr. Danny Wong and Ms. Yeo Swee Cheng, are also important in our business operations. Mr. Danny Wong is primarily responsible for overseeing the marketing and property management functions of our space optimisation business and has over 12 years of industry experience. He works closely with our executive Directors on the space optimisation business, manages the day-to-day operations and also supervises other managers in the business. Ms. Yeo Swee Cheng, the chief financial officer of our Group, joined us in 2011 and oversees all the financial matters of our Group. Together, they spearhead the formulation of our business strategies and expansion plans, and are closely supported by a pool of committed and qualified managers and staff.

Our managers at the entity level are responsible for the day-to-day management of our businesses depending on the function. For example, our facilities management business includes managers who oversees the car parking business, security business, and cleaning and related services business. As for our logistics services business, we have managers who oversees the transportation business and the container depot business. All of our managers work as a team and report to our management so that our business strategies and plans are consistently applied throughout our Group. We believe having managers who specialise in a particular area will allow us to streamline that particular operation, stay current to the business environment and development, and become the best in their industry. As for our qualified staff, they include architects, interior and concept designers who form part of our space optimisation team. Our project managers, electrical engineers, facilities and property managers ensure that our projects are well refurbished and managed efficiently. Our marketing managers, leasing managers and information technology managers contribute towards the expansion and management of our customer base.

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We believe our management team's in-depth industry knowledge and vision have enabled us to effectively formulate and implement sound business strategies, carefully evaluate and manage risks, accurately anticipate changes in the industry and timely capture market opportunities. For further information about our Directors and our executive officers, see "Directors and Senior Management" in this prospectus for details.

OUR BUSINESS STRATEGIES

Continue to expand our current business operations in Singapore, Indonesia, Thailand, Myanmar and Hong Kong.

Our operations are principally in Singapore, and we also operate in Indonesia, Thailand, Myanmar and Hong Kong. In Singapore, we have 30 commercial, industrial and residential properties which we lease or own for leasing out to our tenants. We also operate our facilities management serving our properties and our customers and logistics services businesses in Singapore. In Indonesia, we have two GreenHub Suited Offices under our space optimisation business which we offer our tenants serviced offices. In Thailand, we have one container depot in Laem Chabang, and in Myanmar, we have one 85SOHO serviced residence in Yangon. We also manage one car park in Tai Po, New Territories, Hong Kong.

With our operating experiences in these businesses and jurisdictions, we plan to further expand our operations in these areas. The following sets out our major expansion plan based on our business development plan and strategies as at the Latest Practicable Date.

Space Optimisation Business

Singapore

For our space optimisation business in Singapore, we plan to continue to scout for industrial, commercial and residential properties through master leases with landlords and potential acquisition of properties. We target properties which are located at the fringe of the city centre and close by major transportation hub, with opportunity to carry out optimisation work to increase the NLA. We also plan to expand our space optimisation business by expanding our management of properties for property owners through asset management arrangements. We believe asset management arrangements to be especially beneficial for our portfolio and business expansion plans as under the asset management arrangement, the property owners will be responsible for the renovation cost, maintenance and other running costs. Our only cost would be the costs involved in designing the concept and managing the project and property, which is already part of our overhead costs. As such, asset management arrangements typically have lower cost and better margins, and allow us to obtain first-hand information and experience from the new markets and regions while generating a fixed management fee based on the revenue the property owner generated from the property during the term of our asset management arrangement. We also believe that asset management arrangements provide us the opportunity to expand and multiply our property management portfolio without incurring significant investment costs.

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Furthermore, we also plan to acquire properties in Singapore to expand our property portfolio. As at the Latest Practicable Date, we have completed our preliminary study of a potential acquisition of three floors of strata industrial units in a B1 light industrial building in Singapore, which is in the city fringe, nearby MRT stations and conveniently close to other public transportation and expressways. The total strata area of the three floors that we plan to acquire amounts to approximately 77,000 sq.ft. The current property is tenanted, which will allow us to generate revenue immediately after completion of the acquisition. We do not expect to carry out any major optimisation work on this property immediately after the acquisition as this property will be one of the traditional industrial properties and is already tenanted. The property has a remaining leasehold life of close to 40 years. The property is not subject to any sub-letting restrictions and does not require any pre-approval from government authorities before the acquisition. Thus, if we can agree with the property owner on the terms and conditions of the acquisition, we expect the completion can take place relatively quickly. We have yet to commence the negotiation of the terms and conditions of the potential acquisition with the property owner. If we are successful in negotiating the terms and conditions of the acquisition, we expect the project will launch in the third quarter of 2018. Based on our current budget, we expect the total investment cost for the acquisition to be S\$23.7 million. Based on the currently available information together with our past historic operation experience and results of operations, we estimate it will take approximately one month to reach the breakeven point, which we believe is beneficial to us in generating stable income in the long leasehold interest of the property of close to 40 years. With the long leasehold interest of the property, we expect to achieve investment payback in less than half life of the leasehold interest of the property.

See “— Summary of Our Business Strategies by Business Segment and Associated Investment Costs — Space Optimisation Business” below for further details of our expansion plan in Singapore for our space optimisation business.

Myanmar

With our positive experience in operating our first 85SOHO serviced residence in Myanmar, we plan to set up two additional 85SOHO serviced residence in downtown Yangon by 2019. See “— Summary of Our Business Strategies by Business Segment and Associated Investment Costs — Space Optimisation Business” below for further details of our expansion plan in Myanmar for our space optimisation business.

Facilities Management Business

We will continue to expand our current facilities management business by continuing to secure car park management contracts, provide integrated facilities management services to private and government buildings, and provide security services in the jurisdictions we are operating in.

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Logistics Services Business

During the Track Record Period and as at the Latest Practicable Date, we have not operated any ISO tank depot nor provided any ISO tank storage services to our customers. We plan to acquire a suitable property in Singapore to set up an ISO tank depot in order to expand our scope of services to include ISO tank storage services so as to offer comprehensive and a complete suite of services to our customers under our logistics services business. As we expect the ISO tank depot will be used for storage of both empty ISO tanks and ISO tanks filled with oil, oil-related products and chemicals, we will obtain relevant licenses required for storage of these substances before commencement of operation of the ISO tank depot. Please see “Regulatory Overview — Overview of Singapore Laws and Regulations — Regulations Governing Logistics Services Business” in the prospectus for details. Part of the property will also be used as our parking yard for our logistics vehicles in Singapore as we currently lease the properties for our transportation business. If we are unable to renew the lease of the properties, we will have to invest into the newly leased properties before we can utilise the properties. With the lease for our parking yard coming to the end of the lease term, we also consider this to be a good opportunity for us to acquire our own property to be used as parking yard. We currently do not operate a parking yard for our logistics vehicles at our owned properties since we do not own and have not previously identified a suitable property that is big enough for such purpose. To support the future stable growth of our transportation business, we therefore plan to acquire a property to house our ISO tank depot and as our parking yard for our logistics vehicle. For the properties to be able to park our logistics vehicles including trailers and prime movers, we have to make the investment before they can be utilised. The investment cost required for enabling the property to be used for logistics vehicles parking is approximately S\$1.0 million and up, depending on the size and physical condition of the property.

On 3 October 2017, we have signed a letter of intent setting out our proposed terms and conditions to the vendor for an acquisition of a property for our logistics services expansion in Singapore to operate our planned ISO tank depot. On 29 November 2017, we received a binding offer of an option to purchase the property from the vendor. The acquisition is subject to, among others, the approval from JTC. A deposit of S\$230,000 has also been paid to the vendor, which is refundable if the approval from JTC is not obtained. The land area of the property is approximately 322,647 sq.ft. with a single storey detached factory and three-storey office building with total GFA of approximately 83,451 sq.ft. The property has a remaining leasehold life of about 17 years. The transaction is subject to the approval from the relevant Singapore government authorities, including the JTC and the NEA, which to the best knowledge of our Directors is expected to take around six months to obtain.

On 29 September 2017, we have signed a letter of intent with a company that is part of a global container shipping group setting out some general terms and conditions in setting-up a joint venture company in Singapore to offer container depot services in Singapore. On 4 December 2017, HLA Logistics was incorporated for this collaboration, which, as of the Latest Practicable Date, had not commenced any business operations. We consider this as a strategic partnership and believe

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partnering with this strategic partner to setup the joint venture company will be beneficial to us as it is one of the largest global container shipping company with high container volumes. With its container volumes and reputation in the shipping industry, we believe it will provide us with high potential demand of depot services for the joint venture company. As the joint venture company will be held as to 51% by our strategic partner and 49% by HLA Container Services, the results of this joint venture company will not be consolidated into our financial statements and will only be recorded as a share of profit of loss of an associate in our accounts.

Furthermore, we plan to acquire transportation equipment, including six prime movers to expand our transportation fleet. The addition of six prime movers will increase our current fleet size by 15%, which will allow us to expand our services as our customers have increased demand of our transportation services.

See “— Summary of Our Business Strategies by Business Segment and Associated Investment Costs — Logistics Services Business” below for further details of our expansion plan in Singapore for our logistics services business.

As for Thailand, with our experience in container depot services business in Thailand, we target to expand into the transportation business for the transport of containers inland in Thailand. In particular, we note that there is a trend of manufacturing activities being relocated to the southern part of Thailand which would require transportation services in moving the goods. We plan to acquire prime movers and trailers, and commence operation of our transportation business in Thailand in 2019. We also plan to expand our container depot services business in Thailand by setting up one more container depot. On 27 September 2017, we have signed a lease agreement in Thailand for a property to operate our second container depot in the vicinity of Bangkok, Thailand and the lease term is yet to commence as at the Latest Practicable Date. See “— Summary of Our Business Strategies by Business Segment and Associated Investment Costs — Logistics Services Business” below for further details of our expansion plan in Thailand for our logistics services business.

In Myanmar, we have observed that there is a need of container depot services with an anticipated increase in container movements in the country. We plan to establish container depot services in Myanmar to capture this opportunity. See “— Summary of Our Business Strategies by Business Segment and Associated Investment Costs — Logistics Services Business” below for further details of our expansion plan in Myanmar for our logistics services business.

We also plan to expand our car parking management service under our facilities management business in Myanmar by securing carpark management contracts by 2019. See “— Summary of Our Business Strategies by Business Segment and Associated Investment Costs — Facilities Management Business” below for further details of our expansion plan in Myanmar for our facilities management business.

Expanding our service offerings by leveraging on our experience.

Based on our operational experience, we believe that the taste and requirements of tenants and customers are ever evolving. In order to stay abreast of the latest market trend, we continue to extend our current offerings based on our operational experience, which we believe can differentiate us from our competitors, increase our sales and returns to our Shareholders.

In Jakarta, Indonesia, we currently have two GreenHub Suited Offices. With our operating experience in Jakarta, we believe the business environment calls for a co-working space or a co-working and co-living space to capture the opportunities especially with higher mobility of business operators especially for entrepreneurs and younger generation. The co-working and co-living space will be a hybrid of serviced offices and serviced residence. During the Track Record Period and as at the Latest Practicable Date, we did not have any co-working and co-living space. The co-working and co-living space will be a new service for us leveraging on our experiences in operating suited offices and serviced residences. We plan to offer facilities such as conference rooms, hot desks and lounge area in the co-working space, which will be conveniently located in front of the living space whereby users can share their knowledge and resources freely in the working space, which we believe can create a collaborative environment. We also intend to offer this co-living and co-working space in different locations in Asia outside of Singapore as we have found from the feedback of our tenants and customers that the major attraction of our services overseas is that we are a Singaporean company, which provides them with confidence of the level of our services and reliability. We may also explore into connecting with other similar operators overseas to expand our network offering so as to increase the attractiveness of our co-living and co-working space services.

We plan to open one co-working space or co-working and co-living space in Jakarta by 2019. If we are presented with the right opportunity, we may also consider managing the property for the property owner under an asset management contract. See “— Summary of Our Business Strategies by Business Segment and Associated Investment Costs — Space Optimisation Business” below for further details of our expansion plan in Indonesia for our space optimisation business.

Furthermore, we also intend to expand our operations by offering online real estate agency services. We currently list the availability of our managed properties, including properties that we own, lease and manage under the asset management arrangement, on our space portal. We intend to expand our listing to include other properties that other property owners would like to list. As at the Latest Practicable Date, we have obtained an estate agency licence in Singapore so that we can conduct such operations. See also “— Summary of Our Business Strategies by Business Segment and Associated Investment Costs — Space Optimisation Business” below for further details.

Expand our business operations into other countries and regions with particular focus in Asian countries and regions

With our operation experience in Singapore, Indonesia, Thailand, Myanmar and Hong Kong, we plan to expand our business operation into other countries and regions with particular focus in Asian countries and regions.

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In respect of our expansion into the Greater China region, we have successfully won the tender for a car park management contract to operate a car park in Tai Po, New Territories, Hong Kong, which marks our first expansion into the Greater China region. Our car park management business commenced in Hong Kong in May 2017.

We also plan to expand our space optimisation business into the PRC. We have established our subsidiary, LHN Xiamen, in the PRC in November 2016 to expand our space optimisation business into the PRC. We have also entered into a non-binding memorandum of understanding with a state-owned entity in Xiamen, the PRC to manage one of its properties under our asset management model upon completion of the construction. As at the Latest Practicable Date, we have set up a team in Xiamen, Fujian Province, the PRC for the planned expansion and the preliminary preparatory work for the upcoming project in Xiamen. We also plan to rent one of the floors with GFA of approximately 16,800 sq.ft. from the landlord to set-up our PRC headquarter and operate our first co-working and co-living space under our GreenHub brand on the property. This will mark our first space optimisation operation in the PRC. Similar to the co-working and co-living space planned for our expansion in Jakarta, Indonesia, the co-working and co-living space in Xiamen will be a hybrid of serviced offices and service residence. Office facilities including conference rooms, hot desks and lounge area will be conveniently located in front of the living space as to create a collaborative environment. Our total investment cost for this co-working and co-living space is expected to be S\$0.6 million, primarily for the renovation and fit-out of the premises. See “— Summary of Our Business Strategies by Business Segment and Associated Investment Costs — Space Optimisation Business” below for further details of our expansion plan in the PRC for our space optimisation business. Furthermore, we are in discussion for a possible asset management agreement to manage a commercial property in Xiamen, Fujian Province, the PRC.

In addition to the co-living and co-working space that we plan to operate in Xiamen, we also look for business opportunities to expand our traditional industrial, commercial and residential properties in the PRC through master leases. We may also look for more properties to be managed under asset management arrangements for property owners. See “— Summary of Our Business Strategies by Business Segment and Associated Investment Costs — Space Optimisation Business” below for further details of our expansion plan in the PRC for our space optimisation business.

We also plan to expand our car parking management service under our facilities management business in the PRC by securing carpark management contracts by 2019. See “— Summary of Our Business Strategies by Business Segment and Associated Investment Costs — Facilities Management Business” below for further details of our expansion plan in the PRC for our facilities management business.

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In respect of our expansion into other regions of Asia, as at the Latest Practicable Date, we are exploring opportunities to expand our space optimisation business into ASEAN countries and regions, including Cambodia and Vietnam. As at the Latest Practicable Date, we are carrying out feasibility study regarding potential expansion into Cambodia and in discussion with some parties regarding opportunities. We have yet to identify and confirm any potential acquisition or master lease target in Cambodia, or to formulate a concrete plan and budget for our potential expansion into Cambodia. For an overview of the laws and regulations in Cambodia, and the industry overview of Cambodia, see “Regulatory Overview — Overview of Cambodia Laws and Regulations” and “Industry Overview — Overview of Serviced Apartment Leasing Market in Cambodia” in this prospectus for more information, respectively. As at the Latest Practicable Date, we have not identified any potential opportunity in Vietnam.

Increase the use and implementation of our information technology systems to increase our efficiency and minimise our labour investment.

During the Track Record Period, direct labour costs were our second highest cost of sales after rental costs, amounting to S\$8.2 million, S\$8.8 million, S\$9.9 million and S\$7.7 million for the years ended 30 September 2014, 2015 and 2016, and for the nine months ended 30 June 2017, respectively.

We believe the use of information technology systems is important in our operations as it optimises our business operations and minimises the use of labour in our operations. We currently have implemented a range of information technology systems for our business operations, including online portals such as space portal, PickJunction e-commerce portal, car park online portal, Work +Store portal, GreenHub meeting room portal, client resource management system, enterprise resources planning systems, and closed-circuit television system. See “Business — Information Technology Systems” for details.

We also believe the increase use of information technology systems will further enhance our efficiency and lower our requirements of and reliance on labour, especially for our operations in Singapore where labour costs have increased substantially in the last few years. According to Singapore Manpower Research and Statistics Department, the gross monthly income for full-time cleaners, labourers and related workers had increased from S\$1,082 in 2012 to S\$1,417 in 2016.

We therefore will continue to optimise our business by increasing the use of information technology in our operations, which in turn will increase our returns.

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Summary of Our Business Strategies by Business Segment and Associated Investment Costs

Space Optimisation Business

We set out in the table below a summary of our business strategies for our expansion of the space optimisation business as disclosed above and the associated investment costs:

Expansion of space optimisation business	Property type	Minimum GFA (sq.ft.)	Selection criteria	Total investment cost	Source of funding ⁽¹⁾	Timetable	Status as at the Latest Practicable Date
<i>Singapore</i>							
– Expansion of current properties portfolio through master leases	Industrial, commercial and residential properties	20,000	Property to be at the city fringe and near major transport nodes. The master lease should be at least with an initial term of three years with renewal options, and target gross profit margin of at least 20.0%.	Depends on the condition of the properties, the amount of renovation and works required, and the timetable. Based on the selection criteria, we expect between S\$1.0 million to S\$1.5 million per master lease project.	Internal source of funding and banking facilities	Ongoing. Depends on the properties identified.	Carrying out feasibility study on a potential target as at the Latest Practicable Date. No agreement or memorandum of understanding entered into.
– Expansion of current properties portfolio through asset management arrangement	Industrial, commercial and residential properties	20,000	Property to be at the city fringe and near major transport nodes. The asset management contract to be at least three years with renewal options, and a management fee of at least 10.0% of rental revenue.	Not applicable. No investment cost will be incurred as it is a management contract.	Not applicable.	Ongoing. If we have identified the right opportunity, we will consider managing the property for the property owner.	No opportunity identified and no agreement or memorandum of understanding entered into.

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Expansion of space optimisation business	Property type	Minimum GFA (sq.ft.)	Selection criteria	Total investment cost	Source of funding ⁽¹⁾	Timetable	Status as at the Latest Practicable Date
– Acquire a property or part of a property under for our space optimisation business	Industrial or commercial	50,000	Property target identified. If the acquisition will not proceed, property to be at the city fringe and near major transport nodes. The property shall have a remaining leasehold life of at least 20 years, with a target acquisition price of not more than the construction cost based on the maximum plot ratio, and with a potential to increase the NLA by 10.0% or more if we are acquiring the entire property. If we will only acquire part of the property, the price should be below the market price and the potential to increase the NLA will not be a criteria.	S\$23.7 million	75.3% from internal source of funding and banking facilities 24.7% from net proceeds from the Global Offering.	Acquisition expected to be completed by the second quarter of 2018.	Based on the preliminary feasibility study carried out, we have identified three floors of a light industrial property to be acquired. It is expected that the current tenants can be novated to us in order to generate income on the property. No agreement or memorandum of understanding entered into.
– Offer real estate agency services to other property owners through our online space portal	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	In progress in 2017	Obtained an estate agency licence in Singapore.

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Expansion of space optimisation business	Property type	Minimum GFA (sq.ft.)	Selection criteria	Total investment cost	Source of funding ⁽¹⁾	Timetable	Status as at the Latest Practicable Date
<i>Myanmar</i>							
– Set up two additional 85SOHO serviced residence in downtown Yangon	Residential property	20,000	The master lease should be (subject to applicable licences, permits and approvals being obtained by GH Yangon) a one-year lease with nine consecutive renewals of one year terms with a gross profit margin of at least 30%.	\$S3.0 million	Internal source of funding and bank borrowings	By the financial year ending 30 September 2019	No opportunities identified and no agreement or memorandum of understanding entered into.
			Alternatively, to manage a property with a term of at least ten years.	\$S3.0 million	Internal source of funding and bank borrowings	By the financial year ending 30 September 2019	Currently, in negotiation with the landlord for potential opportunity
<i>Indonesia</i>							
– set up one co-working space or co-working and co-living space in Jakarta	Commercial and mixed-use property	8,000	Property to be at the city fringe, CBD or close by populated business districts.	\$S0.3 million	Internal source of funding.	By the financial year ending 30 September 2018	Carrying out feasibility study on a potential target as at the Latest Practicable Date.
			The master lease should be at least five year and a gross profit margin of at least 30%.				No agreement or memorandum of understanding entered into.
— Expansion of current properties portfolio through asset management contracts.	Commercial and mixed-use property	10,000	Property to be at the city fringe, CBD or close by populated business districts The asset management contract to be at least three years with renewal option, and a management fee of at least 10.0%.	Not applicable. No investment cost will be incurred as it is a management contract.	Not applicable.	Ongoing. If we have identified the right opportunity, we will consider managing the property for the property owner.	No opportunity identified and no agreement or memorandum of understanding entered into.

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Expansion of space optimisation business	Property type	Minimum GFA (sq.ft.)	Selection criteria	Total investment cost	Source of funding ⁽¹⁾	Timetable	Status as at the Latest Practicable Date
<i>PRC</i>							
– Expand our presence into the PRC through asset management arrangement	Industrial, commercial and residential properties	20,000	Tier one or two cities, at the fringe of the city or CBD, or within high-tech industrial parks. Management period to be at least five years, and the management fee should be at least 10.0% of rental revenue.	Not applicable. No investment cost will be incurred as it is a management contract.	Not applicable.	Construction of the first identified property is expected to be completed in 2018. Management of the property will commence thereafter.	A non-binding memorandum of understanding has been entered into with a state-owned entity in Xiamen, Fujian Province, the PRC to manage the property. We are in discussion for a possible asset management agreement to manage a commercial property. As at the Latest Practicable Date, we have not entered into any memorandum of understanding or agreement.
– Set-up one co-working space or co-working and co-living space in Xiamen	Commercial and residential mixed-use building	15,000	Tier one or two cities, at the fringe of the city or CBD, or within high-tech industrial parks. Lease period to be at least five years and a gross profit margin of at least 30%.	S\$0.6 million Approximately nine months to reach breakeven point and three years to achieve investment payback. ⁽²⁾	67.9% by net proceeds from the Global Offering 32.1% from internal source of funding and bank borrowings	Construction of the property is expected to be completed in 2018. Renovation and optimisation work on the property will commence thereafter.	A non-binding memorandum of understanding has been entered into with a state-owned entity in Xiamen, Fujian Province, the PRC to set up the space in the property.
– Expand our presence in the PRC through expanding our properties portfolio in the PRC from master leases	Industrial, commercial and residential properties	20,000	Tier one or two cities, at the fringe of the city or CBD, or within high-tech industrial parks. Lease period to be at least ten years including option to renew, and the target gross rental margin of the property should be at least 30%.	Depends on the condition of the properties, the amount of renovation and optimisation works required, and the timetable. No investment cost is expected to be incurred until the financial year ending 30 September 2019.	Internal source of funding and banking facilities	Ongoing. If we have identified the right opportunity, we will consider to take up the master lease for the property.	No opportunity identified and no agreement or memorandum of understanding entered into.

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Expansion of space optimisation business	Property type	Minimum GFA (sq.ft.)	Selection criteria	Total investment cost	Source of funding ⁽¹⁾	Timetable	Status as at the Latest Practicable Date
<i>Cambodia</i>							
– Expand our presence into Cambodia through acquisition, master lease or asset management arrangement	Residential properties	At least 20,000 sq.ft.	At the fringe of the city or CBD, or within high-tech industrial parks. For acquisition, the property shall be freehold property with gross profit margin of at least 30%. For master lease, lease period to be at least ten years including option to renew, and the target gross rental margin of the property should be at least 30%. For asset management arrangement, management period to be at least five years, and the management fee should be at least 10.0% of rental revenue.	Depends on the condition of the properties, the amount of renovation and optimisation works required, and the timetable.	Internal source of funding and banking facilities	Ongoing.	Carrying out feasibility study regarding potential operation in Cambodia and in discussion with some parties regarding opportunities. We are yet to identify and confirm potential acquisition or master lease target in Cambodia, or to formulate a concrete plan and budget for our potential expansion into Cambodia.

Notes:

- (1) Based on an estimated net proceeds of HK\$55.6 million assuming the Offer Price is fixed at HK\$2.13 per Offer Share, being the mid-point of the indicative Offer Price range of HK\$1.90 to HK\$2.36 per Offer Share.
- (2) Estimation based on the currently available information, our past historic operation experience and results of operations.

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Facilities Management Business

We set out in the table below a summary of our business strategies for our expansion of the facilities management business as disclosed above and the associated investment costs:

Expansion of the facilities management business	Scope of expansion	Section criteria	Total investment cost	Source of funding	Timetable	Status as at the Latest Practicable Date
<i>Singapore</i>						
— Expansion of current facilities management business.	Continue to secure car park management contracts, provide integrated facilities management services to private and government buildings, and provide security services.	To target commercial, industrial & residential properties owned by government authorities or private companies	S\$80,000 (for the year ending 30 Sept 2018)	Internal source of funding	Ongoing.	We continue to secure new contracts with our customers in providing car park management, facilities management services and security services as part of our day-to-day business.
<i>Myanmar</i>						
— Expansion of car park management business.	Secure car park management contracts.	Commercial building and shopping malls.	Not applicable as the contracts are generally provision of services.	Not applicable.	Target to secure first contract by the financial year ending 30 September 2019.	None.
<i>Hong Kong</i>						
— Expansion of car park management business.	Continue to secure car park management contracts.	Targeting public or private car parks, including government tenders. The minimum car parking spaces to be at least 80 spaces. The site should be close to government offices, mall, markets and/or entertainment places. Minimum three years management terms with renewal option, and with a gross profit margin of at least 15.0%.	S\$147,000	Internal source of funding and banking facilities	Target to secure at least one large parking projects by the financial year ending 30 September 2018.	No opportunity identified and no agreement or memorandum of understanding entered into.
<i>PRC</i>						
— Expansion of car park management business.	Secure car park management contracts.	The site should be close to government offices, mall, markets and/or entertainment places.	Not applicable as the contracts are generally provision of services.	Not applicable.	Target to secure first contract by the financial year ending 30 September 2019.	None.

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Expansion of the facilities management business	Scope of expansion	Section criteria	Total investment cost	Source of funding	Timetable	Status as at the Latest Practicable Date
<i>Cambodia</i>						
— Expand our presence into Cambodia by providing facilities management services	Residential properties	To provide facilities management services for properties we manage under our space optimisation business	Related to initial setup cost for the facilities management services	Internal source of funding and bank borrowings.	Ongoing	We are carrying out feasibility study regarding potential operation in Cambodia and in discussion with some parties regarding opportunities. We are yet to identify and confirm potential acquisition or master lease target in Cambodia, or to formulate a concrete plan and budget in relation to for our potential expansion into Cambodia.

Logistics Services Business

We set out in the table below a summary of our business strategies for our expansion of the logistics services business as disclosed above and the associated investment costs:

Expansion of the logistics services business	Scope of expansion	Section criteria	Total investment cost	Source of funding ⁽¹⁾	Timetable	Status as at the Latest Practicable Date
<i>Singapore</i>						
— Set up an ISO tank depot and self-use logistics vehicle parking yard.	Acquire a property for our ISO tank depot and house our self-use parking yard for our logistics vehicle	Total GFA of at least 80,000 sq.ft. with a remaining leasehold life of at least ten years. A building to house our office for our logistics services operations.	S\$25.2 million. Approximately one year to reach breakeven point and eight years to achieve investment payback. ⁽²⁾	9.2% by net proceeds from the Global Offering. 90.8% by internal sources of funding and banking facilities.	By the financial year ending 30 September 2018.	Signed a letter of intent setting out our proposed terms and conditions for the acquisition of a property in Singapore. Terms and conditions are subject to further negotiation with the vendor.
— Acquisition of transportation equipment.	Acquire six prime movers	Not applicable.	S\$1.1 million.	14.9% by net proceeds from the Global Offering. 85.1% by internal sources of funding and finance lease.	By the financial year ending 30 September 2018.	

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Expansion of the logistics services business	Scope of expansion	Section criteria	Total investment cost	Source of funding ⁽¹⁾	Timetable	Status as at the Latest Practicable Date
<i>Thailand</i>						
— Set up one additional container depot.	To lease a property to operate our second container depot in Thailand.	Land size of at least 100,000 sq.ft. with concrete flooring in the vicinity of Bangkok, Thailand. The lease term should be at least ten years.	US\$1.0 million.	Internal source of funding and bank borrowings.	By the financial year ending 30 September 2018.	Entered into a lease agreement with respect to 1-3 plots of land in the vicinity of Bangkok, Thailand. Term of lease will commence upon completion of concrete flooring and has not commenced as at the Latest Practicable Date.
— Set up transportation business in Thailand.	Acquire prime movers and trailers to commence transportation business to support the container depot in Thailand.	Not applicable.	US\$0.5 million.	Internal source of funding and finance lease.	By the financial year ending 30 September 2019.	Subject to the successful set up of the second container depot in Bangkok.
<i>Myanmar</i>						
— Set up one container depot.	To lease a property to operate our first container depot in Myanmar.	Land area of at least 80,000 sq.ft. in the Yangon port area and close by Thilawa special economic zone.	US\$1.0 million.	Internal source of funding and bank borrowings.	By the financial year ending 30 September 2019.	No target identified and no agreement or memorandum of understanding entered into.

Notes:

- (1) Based on an estimated net proceeds of HK\$55.6 million assuming the Offer Price is fixed at HK\$2.13 per Offer Share, being the mid-point of the indicative Offer Price range of HK\$1.90 to HK\$2.36 per Offer Share.
- (2) Estimation based on the currently available information, our past historic operation experience and results of operations.

BUSINESS

OUR BUSINESS

Overview

Our business is broadly divided into three areas to optimise the potential returns to our Shareholders. Our space optimisation business, which is our principal business, offers and sublets commercial, industrial and residential properties to our tenants after we have optimised the spaces on our properties. As at the Latest Practicable Date, we offer optimised property for leasing in Singapore, Indonesia and Myanmar.

Our facilities management business provides property management and security services, car park management services, and cleaning services for our properties and for external customers. We currently offer facilities management services in Singapore and car park management services in Hong Kong. As for our logistics services business, we currently offer and provide transportation services for base oil and bitumen transportation, and chemicals transportation. We also provide container depot services and container depot management services to our customers in Singapore and Thailand.

We set out in the table below our revenue by business segments during the Track Record Period:

	For the year ended 30 September						For the nine months ended 30 June			
	2014		2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	<i>(unaudited)</i>									
Space optimisation business										
Industrial	40,484	44.6	45,864	47.6	52,040	49.7	40,048	50.9	32,712	41.0
Commercial	21,198	23.4	23,445	24.3	23,740	22.7	17,728	22.5	17,514	22.0
Residential	8,880	9.8	2,644	2.8	884	0.8	609	0.8	1,104	1.3
	70,562	77.8	71,953	74.7	76,664	73.2	58,385	74.2	51,330	64.3
Facilities management business	8,478	9.3	9,748	10.1	12,459	11.9	9,022	11.4	12,488	15.7
Logistics services business	11,700	12.9	14,673	15.2	15,582	14.9	11,317	14.4	15,949	20.0
Total	<u>90,740</u>	<u>100.0</u>	<u>96,374</u>	<u>100.0</u>	<u>104,705</u>	<u>100.0</u>	<u>78,724</u>	<u>100.0</u>	<u>79,767</u>	<u>100.0</u>

BUSINESS

We set out in the table below our gross profit and gross profit margin by segment during the Track Record Period.

	For the year ended 30 September						For the nine months ended 30 June			
	2014		2015		2016		2016		2017	
	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	<i>(unaudited)</i>									
Space optimisation business										
Industrial	13,251	32.7	11,830	25.8	13,900	26.7	10,784	26.9	7,020	21.5
Commercial	5,794	27.3	7,478	31.9	7,448	31.4	5,603	31.6	4,267	24.4
Residential	2,012	22.7	(498)	(18.8)	104	11.8	(40)	(6.6)	644	58.3
	21,057	29.8	18,810	26.1	21,452	28.0	16,347	28.0	11,931	23.2
Facilities management business	800	9.4	782	8.0	1,753	14.1	1,229	13.6	1,849	14.8
Logistics services business	3,174	27.1	3,856	26.3	4,292	27.5	3,404	30.1	5,431	34.1
Total	<u>25,031</u>	<u>27.6</u>	<u>23,448</u>	<u>24.3</u>	<u>27,497</u>	<u>26.3</u>	<u>20,980</u>	<u>26.7</u>	<u>19,211</u>	<u>24.1</u>

Our Geographical Presence

We currently have operations principally in Singapore, and in Indonesia, Thailand, Myanmar and Hong Kong. As at Latest Practicable Date, we have 33 commercial, industrial and residential space optimised properties which we lease or own that we lease out to our tenants, with a total GFA of approximately 3,812,300 sq.ft. and a NLA of approximately 3,807,200 sq.ft.

Singapore

As at the Latest Practicable Date, we have 30 properties in Singapore. We also have four properties under our asset management arrangement in which we generate management fees. Furthermore, we also operate our facilities management in Singapore and logistics services business in Singapore. Our logistics services provide container depot management services and transportation services in Singapore. In Singapore, we currently manage one container depot, which has a capacity of up to 6,200 TEU, and two transportation yards, one of which is for overflow storage purpose. We have signed a letter of intent to set up a joint venture company with a company which is part of a global shipping group as our strategic partner in relation to setting up a new joint venture to offer container depot services in Singapore. On 4 December 2017, HLA Logistics was incorporated for this collaboration, which, as at the Latest Practicable Date, had not commenced any business operations. As for our transportation services in Singapore, as at the Latest Practicable Date, we have 43 prime movers, 15 road tankers and more than 120 trailers servicing our customers.

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Thailand

In Laem Chabang, Thailand, located by the major port in Thailand, we operate a container depot with a capacity of up to 7,000 TEU. We have also entered into a lease agreement with respect of a plot of land in the vicinity of Bangkok, Thailand with the intent to operate a new container depot at the property to benefit from the anticipated increase in volume of container through-put in Thailand, thereby increasing the demand for container depot services. As at the Latest Practicable Date, the lease term for this new container depot has not commenced. In addition, we are exploring to expand our presence of our container depot business in other South East Asian countries. See “Business — Our Business Strategies — Expand our business operations into other countries and regions with particular focus in Asian countries and the PRC” for further details.

Indonesia

In Jakarta, Indonesia, we operate two GreenHub Suited Offices locations with a total GFA of approximately 31,900 sq.ft.

Myanmar

In Yangon, Myanmar, we have one property on which we operate 85SOHO branded serviced apartments. The property offers studios, one bedroom apartments and three bedroom apartments, with a total GFA of approximately 14,600 sq.ft.

We are currently in discussion with a landlord for a potential asset management project for a residential building consisting of 88 units of one bedroom apartments located approximately five minutes’ drive from downtown Yangon and close by Shangri-La Serviced Apartment and Residences in Yangon. If this transaction will proceed, the property will operate as 85SOHO serviced residences.

PRC

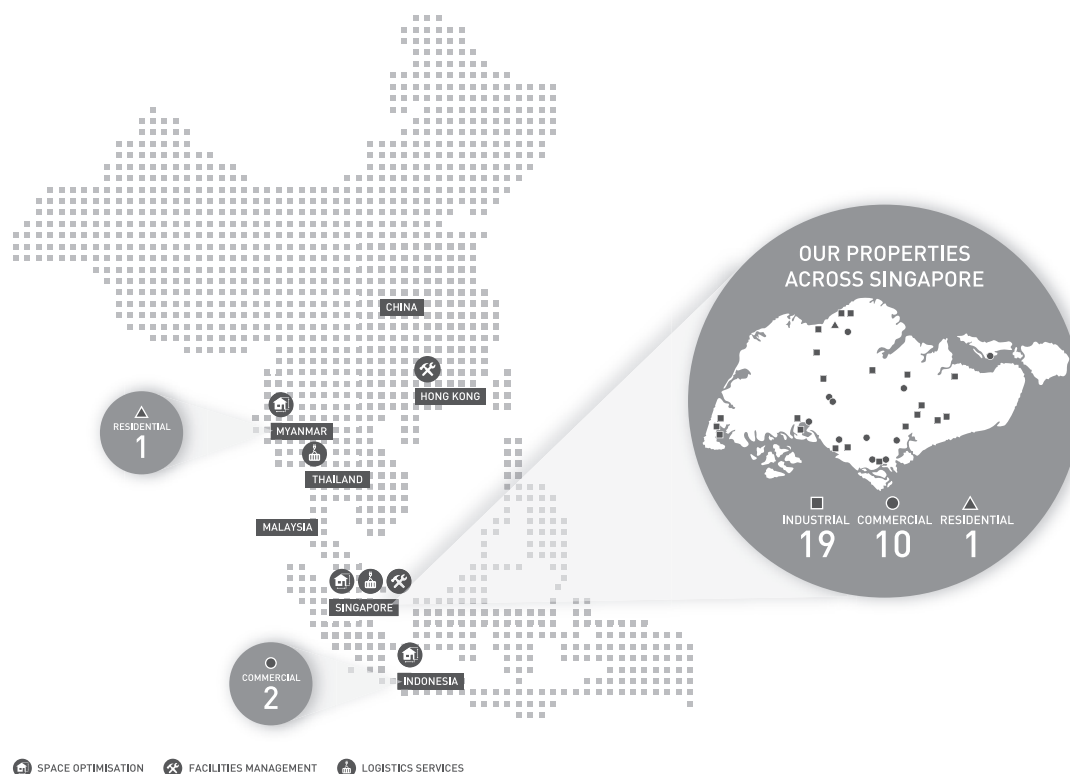
We have also recently established our presence in the PRC and in Hong Kong. We have established our subsidiary, LHN Xiamen, in the PRC in November 2016 to expand our space optimisation business into the PRC. As at the Latest Practicable Date, we have not commenced our business in the PRC. We have also entered into a non-binding memorandum of understanding with a state-owned entity in Xiamen, the PRC to manage one of its properties under our asset management model upon completion of the construction. We expect the construction will be completed in 2018. As at the Latest Practicable Date, we have set up a team in Xiamen, the PRC for the planned expansion and the preliminary preparatory work for the upcoming project in Xiamen. As at the Latest Practicable Date, we are in discussion for a possible asset management arrangement to manage a commercial property in Xiamen, Fujian Province, the PRC. As at the Latest Practicable Date, we have not entered into any memorandum of understanding or agreement for this asset management arrangement.

Hong Kong

In Hong Kong, we have incorporated LHN Parking HK in January 2017 for the expansion of our facilities management business into Hong Kong. We have, by way of tender, been granted a three-year contract to manage the car park at No. 1 Ting Kok Road, Tai Po, New Territories, Hong Kong and have commenced the management in May 2017. As at the Latest Practicable Date, we have obtained a lease for a car park in Tsim Sha Tsui, Kowloon, Hong Kong.

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We set out below a diagram illustrating our geographical reach as at the Latest Practicable Date:



We set out in the table below our revenue by geographical region during the Track Record Period:



	For the year ended 30 September						For the nine months ended 30 June			
	2014		2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Singapore	90,678	99.9	95,819	99.4	102,861	98.2	77,532	98.5	76,968	96.5
Indonesia	62	0.1	490	0.5	1,101	1.1	779	1.0	1,090	1.4
Thailand	—	0.0	65	0.1	508	0.5	337	0.4	1,073	1.3
Myanmar	—	0.0	—	0.0	235	0.2	76	0.1	633	0.8
Other countries	—	0.0	—	0.0	—	0.0	—	0.0	3	0.0
	<u>90,740</u>	<u>100.0</u>	<u>96,374</u>	<u>100.0</u>	<u>104,705</u>	<u>100.0</u>	<u>78,724</u>	<u>100.0</u>	<u>79,767</u>	<u>100.0</u>

I. OUR SPACE OPTIMISATION BUSINESS







We primarily offer and lease properties to our tenants after optimising the space at the properties that we have leased or purchased. Our space optimisation business is our principal business segment during the Track Record Period. We have categorised all our leasing, sub-leasing and management of properties under our space optimisation business. “Space optimisation” involves re-designing and planning the property in order to increase its NLA and minimise the amount of “dead” or unusable space, thus increasing the potential rental yield per sq.ft. and accordingly, the potential rental yield of the property. In order to ensure the property will follow the optimisation plan, we will execute the necessary renovation and refurbishment work. The renovation and refurbishment work will also enhance the aesthetic appeal and potentially increase the overall value of the property. We also provide asset management services to property owners by assisting the property owners to design and optimise their property for leasing, and to provide lease management services, which we generate a fixed management fee based on a percentage of rental revenue generated from the property.

See “— Our Business Processes — A. Space Optimisation Business — Illustration of Space Optimised Properties” below for illustration of our optimisation works. We have a diversified portfolio of commercial, industrial and residential properties primarily in Singapore, and also in Indonesia and Myanmar. As at the Latest Practicable Date, for our space optimisation business, we leased or owned 30 properties in Singapore, two properties in Indonesia and one property in Myanmar. We are also innovative in offering a dynamic portfolio of properties and services to our tenants. Apart from properties we leased or purchased, we also provide asset management services to property owners by assisting the property owners to optimise the properties they own in return for management fees.

We set out below a summary table of different properties and services we offer on properties that we have leased or owned under our space optimisation business during the Track Record Period and up to the Latest Practicable Date:

<u>Type of property</u>	<u>Brands/Concepts</u>	<u>Products/Services</u>	<u>Descriptions</u>
A. Industrial	 (industrial)	Industrial units	<ul style="list-style-type: none"> • Bare industrial units for warehousing, light industrial use and ancillary offices • Targeting industrial tenants
	 (Work+Store Space)	Warehouse and industrial use units, and self-storage units	<ul style="list-style-type: none"> • Units with combined warehousing and industrial use area • Self-storage units • Optional delivery services at extra costs • Ideal for businesses that require small and affordable storage and/or work space to perform simple fulfilment or logistic duties

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Type of property	Brands/Concepts	Products/Services	Descriptions
	 (Work+Store Valet)	Valet storage services	<ul style="list-style-type: none"> Storage concierge services (including pick-up, storage and delivery services) Ideal for individuals and businesses to store rarely used items
	 (PickJunction)	E-commerce, and furniture and merchandises experience centre	<ul style="list-style-type: none"> Storage space for furniture and merchandises of our customers Experience centre for furniture and merchandises E-commerce website On-site promoters show the experience centre for visitors
B. Commercial	 (Commercial)	Business and office units	<ul style="list-style-type: none"> Bare units with minimum fittings for offices and business uses (such as retail outlets, food and beverage outlets) Targeting commercial tenants
	 (GreenHub)	Suited offices	<ul style="list-style-type: none"> Fully furnished suited office units fitted with internet and phone connections Flexi working desks Virtual offices Value-added services such as housekeeping services and secretarial services Targeting businesses that do not require a large physical presence, such as SMEs, start-ups, and global or multi-national corporations without a large presence in the country
C. Residential	 (residential)	Apartments	<ul style="list-style-type: none"> Apartments Targeting residential tenants
	 (85SOHO)	Serviced apartments	<ul style="list-style-type: none"> Serviced apartments Targeting expats, professionals and families

A. Our Industrial Properties

Our industrial properties are industrial properties which we lease or own for subleasing under our space optimisation business and exclude properties we manage under asset management services in which we generate management fees. Our industrial spaces comprise industrial buildings, factories, warehouses and land for open storage in Singapore. We currently have 19 properties in Singapore. The lease term (or service term for warehousing services) for our industrial properties tenants are generally between one and three years. As at 30 September 2014, 2015 and 2016, and 30 June 2017, our average occupancy rate as a percentage of accumulated NLA for all year or period of our industrial properties amounted to 95.1%, 92.9%, 94.0% and 88.4%, respectively.

Within our industrial properties, we also run different business concepts on our properties to increase our return and maximise the return for our Shareholders, including Work+Store Space and Work+Store Valet services, and PickJunction experience centre.

1. Work+Store Space (work+store) and Work+Store Valet (work+store) services

We currently have five Work+Store locations in Singapore, namely, Work+Store Space @ 18 New Industrial Road, Work+Store Space @ 18 Tampines, Work+Store Space @ 680 Upper Thomson, Work+Store Space @ 100 Eunos and Work+Store Space @ 38 Ang Mo Kio. We are planning to open a new Work+Store location in a joint venture property in Singapore under our asset management services, namely Work+Store Space @ 44 Kallang Place. We are also planning to acquire an industrial building in Singapore for further expanding our Work+Store space network. See “— Our Business Strategies” above for more details. As at the Latest Practicable Date, we are still carrying out feasibility studies and having preliminary discussions with potential sellers. We generally require the property to have a GFA of at least 50,000 sq.ft. at the fringe of the city and close by major transportation hubs, with the remaining leasehold interest of 20 years or more. When carrying out the feasibility study, we expect the value of the property to be less than the construction cost based on the maximum plot ratio.

Work+Store Space offers units that are designed to offer tenants warehousing and work spaces within one unit. We also offer, through our Work+Store Space, self-storage spaces of different sizes to allow our tenants to take up additional warehousing spaces. We believe the Work+Store spaces could cater to different needs of individuals and businesses that require small and affordable storage and/or work space to perform simple fulfilment or logistic duties. The rate for the leases or warehouse services charges for our Work+Store Space units are determined by reference to the size of the unit, which includes utility and management fees.

In addition, at our Work+Store locations, we also offer Work+Store Valet service, a valet storage service whereby our customers can pack their boxes at their home or office, and we will pick up their boxes at doorstep, store and redeliver to them upon request. It is similar to self-storage services but provides our customers with more flexibility in using the services.

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We believe it is ideal for a wide range of customers, from individuals to businesses, who would like to store rarely used items and find the services appealing as being convenient and time saving.

We also provide value-added services such as offering packaging materials at our office for our tenants to purchase at a fee, and delivery services on their behalf to provide our tenants convenience in their operations. All our Work+Store properties are equipped with 24-hour security system. We believe businesses such as e-commerce business, pop-up retailers, e-retailers, event organisers and trading companies will find our Work+Store units appealing.

In terms of property safety, we carry out regular random checks on our properties for property safety and security audit, and tenancy compliance audits, for safety compliance and compliance with the relevant rules and regulations. In particular, any safety risks identified during random checks performed at our properties will be recorded in the inspection report. If we notice any safety irregularities, such as storage above height limits, installation of illegal partitions and storage of dangerous goods, we will notify the relevant tenant of such irregularities and require them to rectify such irregularities typically within five working days. After the deadline for rectification, follow-up checks will be performed to check whether the tenant has rectified the irregularities in order to comply with the relevant fire safety standards. If we consider the rectification has not been carried out satisfactorily, we will send a reminder notice to urge the tenant to further rectify it. However, if the tenant fails to rectify the irregularities after repeated requests, we will issue a final warning and consider to terminate the tenancy agreement or service agreement entered into with the tenant. After termination, we will at our own initiative carry out the necessary rectification work. As at the Latest Practicable Date, no safety irregularities have been spotted during our random checks performed at our self-storage properties.

Our self-storage properties also implemented safety measures, which has taken into account the evaluation of a disastrous fire accident at a self-storage premises in Hong Kong which occurred in June 2016. Learning from the fire accident that has happened in Hong Kong, we believe having wider corridors is important for fire safety as it could facilitate both the evacuation process of people in the building in the event of fire, and assist the rescue work to be undertaken by firemen. The relevant requirement imposed by the Singapore Civil Defence Force under Fire Code 2013 requires a minimum corridor width of 1.2 metres, and all of our self-storage properties have complied with such requirement. In order to further enhance fire safety at our self-storage properties, after consulting with our architect and on our own initiative, all of our self-storage properties launched after June 2016 do not only meet the minimum fire safety requirement, but are also constructed with wider corridors of at least 1.6 metres wide to prevent similar accident from happening at our self-storage properties. We also enhanced random checks at our self-storage properties to ensure our tenants strictly comply with the fire safety requirements and to raise their awareness in relation to fire safety.

We also schedule regular testing and inspection on the fire protection system installed at our properties, such as sprinkler, hose reel and alarm, and arrange regular fire safety training and fire drills for tenants of our self-storage properties. To minimise the damage in case of accident, we prepared an emergency response plan for each of our self-storage properties setting out key information of the properties, including the layout of the property and fire

evacuation plan. In the event of fire or other serious accident occurring at our properties, the emergency response plan will be provided to the emergency services agency, such as the Singapore Civil Defence Force in Singapore, in order to provide them with key information for rescue planning purpose.

By signing our contracts for the self-storage services, our customers confirm the contents of the stored materials are non-hazardous and agree to indemnify us to damages and losses incurred by us as a result of the storing of their contents.

We set out below illustrations of our Work+Store self-storage space:



2. *PickJunction spaces and services* (PICJUNCTION)

We currently have one PickJunction location in Singapore, namely PickJunction Space @ Singapore Handicrafts Building. We are also managing a joint venture property in Singapore under our asset management services, where a new PickJunction location is expected to be opened in, namely PickJunction Space @ 44 Kallang Place. PickJunction is a platform that brings people closer to their local community of artisans, boutiques, and studios by providing a convenient channel for merchants to sell their products through our e-commerce and for customers to touch and feel the products.

We provide services at our PickJunction location to small medium-sized merchants, which currently consist mainly of traders and manufacturers of furniture. Our merchants may display their furniture and merchandises in our experience centre. We also provide other value-added services, which are inclusive in the concept-fees we charge, such as on-site promoters and PickJunction e-commerce website for customers to list and sell their furniture and merchandises. If a customer is interested in the furniture and merchandises at the experience centre, our on-site promoters, who are familiar with the displayed furniture and merchandises, will introduce them to the interested customers and accompany the customers for viewing the furniture and merchandises. After visiting our PickJunction location, if the

customers wish to purchase the furniture and merchandises, they may order from our PickJunction e-commerce website, and the furniture and merchandises will be delivered to the customers directly.

Our PickJunction business model is suitable for small independent businesses which cannot afford a large human resources investment. This helps our customers to focus on creating the best quality products, while our skilled promoters and e-commerce platform will assist them to handle the sales and customer services aspects of their business.

3. *Our asset management services for industrial properties*

We also manage some industrial properties under asset management arrangements where we do not own or obtain master leases of the properties. We currently have two industrial properties under the asset management arrangement. Instead, we use our space optimisation and property management expertise to help the property owners of the properties to conceptualise, transform, market, lease out and manage the property, and receive an asset management fee which is typically 10% to 15% of the total rental revenue generated from the relevant property.

On top of the asset management fee, we can recommend the property owner to use our facilities management services such as security services and cleaning services. These services will be charged to the property owner separately under our facilities management business and generate extra income for us.

This business model is particularly suitable for us to enter into new geographical location where the market demand is uncertain or unstable. We plan to expand into new markets through asset management arrangements. See “— Our Business Strategies” in this prospectus for more information. We believe asset management arrangements to be especially beneficial for our business portfolio expansion plans. See “— Our Business Strategies — Continue to expand our current business operations in Singapore, Indonesia, Thailand, Myanmar and Hong Kong — Singapore” in this section for details. By providing asset management services, we are able to connect with the new market, obtain market information and build up our corporate image without making long-term or substantial capital investment commitment.

As at the Latest Practicable Date, we managed two industrial properties, one commercial property and one part commercial and part residential property under our asset management arrangements, two of which were owned by our joint venture companies.

4. *Summary of industrial properties under our space optimisation business*

Please see “I. Our Space Optimisation Business — E. Key Information of Properties Managed under Our Space Optimisation Business — Properties Managed under Our Space Optimisation Business as at the Latest Practicable Date” in this section for details of industrial properties that we leased or owned under our space optimisation business.

BUSINESS

We set out below the illustrations of some of the industrial properties leased or owned by us:



18 Tampines



43 Keppel Road



10-40 Tuas South



Tuas Vista



18 New Industrial Road



680 Upper Thomson

B. Our Commercial Properties

Our commercial properties are properties or business spaces we leased or owned in Singapore and Indonesia. We currently have ten commercial properties in Singapore and two properties in Indonesia which we lease or own for leasing to tenants. We have a total GFA of approximately 623,500 sq.ft. with a total NLA of approximately 518,600 sq.ft. as at the Latest Practicable Date. Our commercial properties provide traditional office spaces, GreenHub Suited Offices, and other commercial spaces such as recreational spaces, sports facilities and children enhanced spaces. As at 30 September 2014, 2015 and 2016, and 30 June 2017, our average occupancy rate as a percentage of accumulated NLA for the year or period of our commercial properties amounted to 90.5%, 95.9%, 94.0% and 90.9%, respectively.

1. LHN commercial properties traditional offices

Our traditional offices are mainly unfurnished, bare commercial spaces in Singapore. We lease out the bare units to our tenants typically for a fixed term of up to three years. The rental payable by our tenants of our commercial properties are determined by reference to the

size of the units, location and facilities of the property and physical conditions of the units, and will be finalised after negotiation with our tenants. A facilities fee may be payable by our tenants for the provision of property management and security services if such services are provided.

2. *GreenHub Suited Offices (GREENHUB)*

Our GreenHub Suited Offices offer our tenants one-stop office services in four locations in Singapore, and two locations in Jakarta, Indonesia. Our GreenHub Suited Offices are designed to be energy efficient with the theme of nature and relaxed environment in mind. The offices are equipped with automatic motion sensors for lights after office hours, individualised air-conditioning control in each unit and large windows for natural lighting. There are also ample greenery inside the offices for a calm and visually comforting environment. There are different service plans for our tenants to choose from to fit their changing business needs. Depending on the location and profile of our tenants, we have GreenHub supporting personnel at some of the GreenHub Suited Offices locations, including centre managers and receptionists to manage the space and offer value-added services to our tenants at an additional fee. Another advantage of suited offices is that the office is “ready” for immediate use. They are fully furnished and come with internet, utilities, basic pantry and cleaning services. Tenants do not need to invest time and money on space planning and renovation. Lease terms for our GreenHub Suited Offices units are also more flexible, from one month and longer. We believe our GreenHub Suited Offices are especially attractive for businesses that do not require a large work space, such as SMEs, start-ups and global or multi-national corporations without a large presence in the country. We encountered some instances that our GreenHub Suited Offices tenants who had grown in their size of operations, opted to upgrade and be relocated to our commercial properties.

In terms of pricing for the GreenHub Suited Offices, we offer suited offices for our tenants at an all inclusive rental rate as compared to the traditional office spaces. The monthly rental payable by our suited office tenants is determined by reference to the number of workstations and size of the dedicated office space. We also offer flexi desk option where our tenants do not have to commit to a fixed office space and are permitted to use the flexi desk areas at our GreenHub Suited Offices locations. Monthly rental for the flexi desk option depends on the number of hours of usage the tenant has signed up for and includes a business address and daily mail alert notification. In addition to our suited office and flexi desk options, we also offer virtual office option, which includes provision of a business address, dedicated phone line and self-collection mail as the most basic service option. More comprehensive service package options include additional mail scanning and weekly forwarding, phone forwarding, answering, and voice mail, and meeting rooms usage. The monthly rent for our GreenHub Suited Offices include utility, internet access, business lounge access, daily housekeeping services, and standard drinks, such as water, coffee and tea. We will charge our tenants additional fees for premium drinks and snacks, secretarial services, meeting room usage and photocopying machine usage.

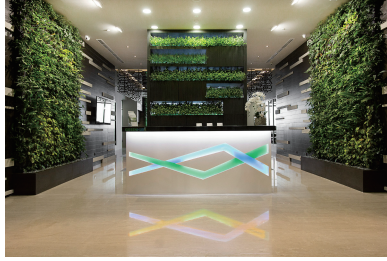
BUSINESS

As part of our future expansion plan, we intend to expand our GreenHub Suited Offices network in Indonesia and extend our geographical coverage to the PRC. On 21 July 2017, we have acquired 17.5% in WeOffices, a company principally engaged in the business of rental of service office space in Denmark with two service office spaces in Denmark as at the Latest Practicable Date. We believe WeOffices can bring synergies to our GreenHub Suited Offices business as (i) it enhances our brand value by recognising our GreenHub Suited Offices as part of a global network, (ii) it extends our brand exposure to European countries, and (iii) the potential customer referral in the future between our Green Hub Suited Offices business and WeOffices can widen our customer base as it allows us to cater the needs of customers with operations in both Asia and Europe. As at the Latest Practicable Date, we are discussing the business collaboration details with WeOffices.

We also intend to add the co-working and co-living business model to our new locations subject to further feasibility study and market research, which will also be operated under our GreenHub brand. The co-working and co-living model is a combined solution of office and residential spaces targeted at technology start-ups, business consultants and other knowledge workers that would benefit from a collaboration-friendly environment. The space will provide to the tenants and users both private space where they can live in and work privately, and public space where they can meet, discuss and collaborate with other tenants and guests from the same or related industry. Different from the traditional offices and our current GreenHub Suited Offices, tenants may live at the same place as where they work and enjoy greater flexibility as to when and where to work. We plan to offer facilities such as conferences rooms, hot desks and lounge area in the co-working space, which will be conveniently located in front of the living space whereby users can share their knowledge and resources freely in the working space. We believe this can create a collaborative environment. The minimum lease period under the co-working and co-living model is shorter and can be as short as one week, which accommodates the needs of tenants with high mobility and facilitates rapid flow of knowledge and innovative ideas. We also intend to offer this co-living and co-working space in different locations in Asia outside of Singapore as we have found from the feedback of our tenants and customers that the major attraction of our services overseas is that we are a Singaporean company, which provides them confidence of service level and reliability. We may also explore into connecting with other similar operators overseas to expand our network offering so as to increase the attractiveness of our co-living and co-working space services.

BUSINESS

We set out below illustrations of our GreenHub Suited Offices:



Reception



Suited office



Meeting room



Flexi desk



Lounge area

3. Our asset management services for commercial properties

Similar to our asset management services for industrial properties, we also manage commercial properties under asset management arrangement. As at the Latest Practicable Date, we manage one commercial property and one part commercial and part residential property under asset management services.

4. Summary of Commercial Properties under our space optimisation business

Please see “I. Our Space Optimisation Business — E. Key Information of Properties Managed under Our Space Optimisation Business — Properties Managed under Our Space Optimisation Business as at the Latest Practicable Date” in this section for details of commercial properties that we leased, owned, or managed under asset management arrangements under our space optimisation business.

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We set out below the illustrations of some of the commercial properties leased by us:



10 Raeburn Park



Phoenix Park



1557 Keppel Road



Burghley Lifestyle Hub



The Sports Stage



The Fire station

C. Our Residential Properties

In addition to our commercial and industrial properties, we also optimise the space of residential properties to lease out to our tenants. We currently have one residential property in Singapore and one residential property in Yangon, Myanmar.

As at 30 September 2014, 2015 and 2016, and 30 June 2017, average occupancy rate of our residential properties as a percentage of the accumulated NLA for the year or period amounted to 99.0%, 97.2%, 93.8% and 99.4%, respectively.

Similar to our asset management services for industrial and commercial properties, we also manage residential properties under asset management services. As at the Latest Practicable Date, we manage one part commercial and part residential property under asset management arrangement.

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Please see “I. Our Space Optimisation Business — E. Key Information of Properties Managed under Our Space Optimisation Business — Properties Managed under Our Space Optimisation Business as at the Latest Practicable Date” in this section for details of residential properties that we leased, owned, or managed under asset management arrangement under our space optimisation business.

We set out below the illustrations of our 85SOHO serviced residence:



Dining room



Living room



Kitchen



Bedroom

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D. Comparison between the Sub-Leasing Model and Asset Management Model under Our Space Optimisation Business

We set out below a summary table of the typical differences between and the respective risks and benefits of the sub-leasing model, under which we sub-lease properties we leased or owned to our tenants, and the asset management model, under which we manage the properties owned by our joint ventures or third parties.

<u>Aspect</u>	<u>Sub-leasing model</u>	<u>Asset management model</u>
Revenue	<ul style="list-style-type: none"> ● We generate income by charging the tenants a fixed monthly rental. Revenue is recognised as rental income in our financial statements. 	<ul style="list-style-type: none"> ● We generate income by charging the property owner a fixed percentage (being 10% to 15%) of the aggregate rental revenue chargeable to the tenants of the property. Revenue is recognised as management services fee income in our financial statements.
Fixed cost	<ul style="list-style-type: none"> ● We incur fixed rental cost under the master lease for leased properties or large initial investment cost for the acquisition of property for owned properties. 	<ul style="list-style-type: none"> ● We incur minimal fixed cost and initial investment cost for setting up the asset management arrangement as the property owners are responsible for the renovation, maintenance and other running costs and we are responsible for our own overhead cost to manage the property.
Occupancy	<ul style="list-style-type: none"> ● A higher level of occupancy rate is required to achieve breakeven point due to the higher fixed cost, such as rental payable under the master lease, incurred by us. 	<ul style="list-style-type: none"> ● A lower level of occupancy rate is required to achieve breakeven point as we only incur minimal overhead cost to provide asset management services.

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<u>Aspect</u>	<u>Sub-leasing model</u>	<u>Asset management model</u>
Capital expenditure	<ul style="list-style-type: none">● The number of new project intakes is limited by our financial capacity as a lump sum capital expenditure is usually required for the initial renovation of the property before it can be leased out to generate income.	<ul style="list-style-type: none">● We are only responsible for the marketing and management costs and therefore the number of new project intakes will not be limited by our financial capacity.
Credit risk	<ul style="list-style-type: none">● We bear credit risks of the tenants and may suffer bad debt, as the tenants will be paying rental directly to us.	<ul style="list-style-type: none">● Credit risks of the tenants are borne by the property owner as the tenancy relationship is between the tenants and the property owner. Our management fee is based on the rental chargeable to the tenants and will not be affected by tenants' default. We only bear the credit risk of the property owner.
Security deposit	<ul style="list-style-type: none">● For leased properties, we provide security deposit to our landlord typically in the form of insurance guarantee, and we collect security deposit from our tenants typically in the form of cash.	<ul style="list-style-type: none">● Property owners collect security deposit directly from tenants. We do not collect or provide any security deposit.

E. Key Information of Properties Managed under Our Space Optimisation Business

1. Properties Managed under Our Space Optimisation Business as at the Latest Practicable Date

We set out below key information of properties managed under our space optimisation business as at the Latest Practicable Date:

Our Owned Properties

Property name	Address	Owner	Type of property	Description	Existing usage	GFA sq.ft. (approx)	Size range of units sq.ft. (approx)	Number of equivalent parking lots (approx)	Property value ⁽¹⁾	Year of acquisition	Date of commencement of operations	Investment cost as of 30 June 2017	Breakeven period	Payback period	Leaschold term	Leaschold expiry date
Singapore Handicrafts Building	72 Eunos Avenue 7, Singapore	Singapore Handicrafts ⁽²⁾	Industrial	Singapore Handicrafts Building is located in Eunos and surrounded by various businesses. It is accessible via the Pan-Island Expressway. The property is a six-storey industrial building. Units in the property are suitable for B1 light industrial operations, furniture manufacturers and ancillary offices.	Picklunction, showrooms, warehousing, storage and ancillary offices	68,000	430–5,200	21	S\$19,500,000	2012	3 Nov 2012	14,854	15 months	Yet to payback	30 years	31 Dec 2040
23 Woodlands Industrial Park	23 Woodlands Industrial Park E1, #04-02, Admiralty Industrial Park, Singapore	LHN Group	Industrial	This industrial unit is located along Admiralty Road West. The property is part of a six-storey industrial building. The unit is suitable for B1 light industrial usage.	Office and warehouse	1,700	2 units with size of 800 sq.ft. each	—	S\$500,000	2014	29 Nov 2014	500	1 month	Yet to payback	60 years	8 Jan 2055
100 Eunos	100 Eunos Avenue 7, Singapore	Work Plus Store Company	Industrial	100 Eunos is located in Eunos and on the same street as Singapore Handicrafts Building. It is accessible via the Pan-Island Expressway. The property is a five-storey building. Units in the property are used for warehouse and industrial-use units self-storage and ancillary offices. The building houses our Work+Store @ 100 Eunos.	Self-storage with logistics services and ancillary office	68,000	77–10,500	8	S\$20,000,000	2015	20 Jan 2017	18,016	Yet to breakeven	Yet to payback	60 years	30 Jun 2040
Kota Kasablanka	Units A to D, EightyEight@ Kasablanka Office Tower, Lantai 38, Jl. Casablanca Raya Kav. 88 Kelurahan Menteng Dalam, Kecamatan Tebet, Kota Administrasi Jakarta Selatan, Indonesia	PT HN Group ⁽³⁾	Commercial	Kota Kasablanka GreenHub is located on the 38th floor. Tower A of Kota Kasablanka, with direct access to Golden Triangle of Sudirman and HR Rasuna Said. It is at the fringe of the CBD. The property currently consists of 246 workstations.	Office	18,700	40–240	—	Rp65,760,000,000	2013	1 April 2014	6,065	Yet to breakeven	Yet to payback	14 years	30 Jun 2027

(1) According to the valuation report as at 30 June 2017. See Appendix III to this prospectus for further details.

(2) See “— Properties — Investment Properties — Our Terminated Sale and Leaseback Arrangement of Singapore Handicraft Building” in this section for more information.

(3) See “— Properties — Investment Properties — Our Legal Title of our Kota Kasablanka Property” in this section for more information regarding its legal title.

Our Leased Properties

Property name	Address	Lessee	Type of property	Description	Existing usage	GFA sq.ft. (approx)	Size range of units sq.ft. (approx)	Number of equivalent parking lots (approx)	Year of first term	Date of commencement of operations	Investment cost as of 30 June 2017 S\$'000 (approx)	Rental cost ⁽¹⁾ S\$ (approx)	Breakeven period	Payback period	Lease term	Lease expiry date	Renewal option
Lot 228 Woodlands	Lot 228, 342, 346 MK XIV Woodlands Mandai Estate, Singapore	LHN Properties Investments	Industrial	The property is a plot of open land use for storage of building material and constructions equipment.	Subleasing (warehouse)	58,800	4,400– 26,500	—	2003	N/A ⁽²⁾	34	17,000– 24,600	N/A ⁽²⁾	N/A ⁽²⁾	2 years	31 May 2019	N/A
Lot 220 (Part) MK XIV Woodlands	Lot 220 (Part) MK XIV Woodlands Mandai Estate, Singapore	HN Facilities Investments	Industrial	The property is a plot of open land use for storage of building material and constructions equipment.	Subleasing (warehouse)	25,400	25,400 ⁽³⁾	—	2016	15 Jun 2016	—	12,100	1 month	4 months	2 years	14 Jun 2018	1 year
18 Tampines	18 Tampines Industrial Crescent, Singapore	LHN Space Resources	Industrial	18 Tampines is located at the intersection of Tampines Expressway and Tampines Avenue 10. It is close to Changi, Loyang and Tampines. The property is a seven-storey ramp- up industrial building. Units in the property are suitable for B2 clean and light industrial operations, warehousing and ancillary offices. It is also home to our Work+Store Space @ 18 Tampines.	Subleasing (B2 clean and light industry)	448,500	200– 32,900	797	2015	13 Jun 2015	861	600,000	10 months	Yet to payback	7 years	12 Sep 2022	7 years
43 Keppel Road	43 Keppel Road, Singapore	LHN Space Resources	Industrial	43 Keppel Road is located next to the Tanjong Pagar Distripark, the Keppel and Pulau Brani terminals. The property comprises of a five-storey warehouse building and a three-storey ancillary office building. The units in the property are suitable for warehousing, and ancillary offices.	Subleasing (B1 warehouse, showroom)	83,600	160– 6,200	81	2007	N/A ⁽²⁾	702	32,000– 32,900	N/A ⁽²⁾	N/A ⁽²⁾	15 years	30 Sep 2022	5 years less one day (subject to landlord's confirmation)
10-40 Tuas South	10, 20, 30, 40 Tuas South Street 1, Singapore	Work Plus Store Company	Industrial	10-40 Tuas South is located at Tuas View Industrial Park. With plans for Tuas to be the next mega container port for Singapore, its strategic location is ideal for tenants specialising in logistics, engineering and construction activities. The property is a single storey industrial building. Units in the property are suitable for B2 industrial operations & warehousing.	Subleasing (B2 warehouse)	818,500	270–70,400	—	2007	N/A ⁽²⁾	583	654,800– 704,000	N/A ⁽²⁾	N/A ⁽²⁾	4 years	31 Aug 2020	2 years

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Property name	Address	Lessee	Type of property	Description	Existing usage	GFA sq.ft. (approx)	Size range of units sq.ft. (approx)	Number of equivalent parking lots (approx)	Year of first term	Date of commencement of operations	Investment cost as of 30 June 2017 S\$'000 (approx)	Rental cost ⁽¹⁾ S\$ (approx)	Break-even period	Payback period	Lease term	Lease expiry date	Renewal option
Tuas Vista	2 Tuas South Avenue 2, Singapore	Soon Wing Investments	Industrial	Tuas Vista is located in Tuas. Similar to 10-40 Tuas South, with plans for Tuas to be the next mega container port for Singapore, its strategic location is ideal for tenants specialising in logistics, engineering and construction activities. The property is a six-storey industrial building. Units in the property are suitable for B2 industrial operations, factory, warehousing, storage, showroom and ancillary offices.	Subleasing (B2 industrial operations, factory, warehouse, storage, showroom and ancillary office)	220,400	50-14,900	80	2013	25 Jul 2013	1,455	189,100-197,800	Yet to breakeven	Yet to payback	10 years	24 Jul 2023	5 years
34 Boon Leat Terrace Industrial Building	34 Boon Leat Terrace, Singapore	LHN Space Resources	Industrial	34 Boon Leat Terrace is located at the fringe of the CBD, and it is accessible by MRT as well as various expressways. The property is a six storey warehouse with basement. Units in the property are suitable for warehousing and ancillary offices.	Subleasing (warehouse and ancillary office)	272,300	90-28,200	185	2011	29 Jul 2011	851	170,000-249,700	4 months	23 months	3 years	30 Sept 2020	3 years
18 New Industrial Road	18 New Industrial Road, Singapore	Soon Wing Investments	Industrial	18 New Industrial Road is located in the East District of Singapore accessible near the Kallang-Paya Lebar Expressway and the Pan-Island Expressway & access by MRT. With the facade facelift and revamped layout, it portrays professional corporate image. The property is a six-storey industrial building. Units in the property are suitable for B1 light industrial operations, warehousing and ancillary offices. It is also home to our Work+Store Space @ 18 New Industrial Road.	Subleasing (B1 light industrial operations, warehousing and ancillary offices)	75,500	50-2,600	33	2015	15 Apr 2015	2,019	65,000	Yet to breakeven	Yet to payback	5 years	31 Mar 2020	3 years
Soon Wing Industrial Building	2 Soon Wing Road, Singapore	Soon Wing Investments	Industrial	Soon Wing Industrial Building is located in the Macpherson area, along the main Aljunied Road, which is near to the Pan-Island Expressway and Aljunied MRT station. The property is a eight-storey industrial building. Units in the property are suitable for B1 clean and light industrial operations, warehousing and ancillary offices.	Subleasing (clean industry, light industry, warehouse and ancillary office)	104,200	400-5,000	56	2006	N/A ⁽²⁾	1,546	38,300-43,600	N/A ⁽²⁾	N/A ⁽²⁾	1 year	31 Mar 2018	N/A

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Property name	Address	Lessee	Type of property	Description	Existing usage	GFA sq.ft. (approx)	Size range of units sq.ft. (approx)	Number of equivalent parking lots (approx)	Year of first term	Date of commencement of operations	Investment cost as of 30 June 2017 S\$'000 (approx)	Rental cost ⁽¹⁾ S\$ (approx)	Break-even period	Payback period	Lease term	Lease expiry date	Renewal option
SIX 80	680 Upper Thomson Road, Singapore	LHN Space Resources	Industrial	SIX 80 is located off Upper Thomson Road and within Tagore Industrial Estate. It is near to eating and retail establishments at Thomson Plaza, Thomson Estate and Yio Chu Kang Estate. It is easily accessible via Seletar Expressway and Central Expressway. The property is a two storey building. Units in the property are suitable for BI light industrial operations, food and beverage outlets, ancillary childcare centre and ancillary offices. It is also home to our Work+Store Space @ 680 Upper Thomson.	Subleasing (BI light industrial operations, ancillary offices, showrooms, food and beverage outlets, and childcare centre)	35,000	130-10,000	81	2015	1 Aug 2015	512	63,000	Yet to breakeven	Yet to payback	5 years	31 May 2020	1 year
20-25 Depot Lane	Blocks 20, 21, 23, 23A, 24, 24A, 25, 25A Depot Lane Singapore	HN Corporation	Industrial	20-25 Depot Lane is located in Telok Blangah District with easy access to Ayer Rajah Expressway. The property comprises of 8 blocks of single storey warehouse. Units in the property are suitable for warehousing.	Subleasing (warehouse)	121,700	90-12,200	43	2012	1 Apr 2012	997	152,000-169,000	3 months	37 months	3 years	31 Mar 2019	3 years plus 3 years (subject to landlord's confirmation)
253 Kraji	253 Kraji Road, Singapore	HN Corporation	Industrial	253 Kraji is located within Sungei Kadut Industrial Estate area. The property is a single storey warehouse used for storage purposes.	Subleasing (warehouse and storage)	4,800	22,100 ⁽³⁾	—	2007	N/A ⁽²⁾	30	7,500	N/A ⁽²⁾	N/A ⁽²⁾	6 months	20 Mar 2018	N/A
8 Jalan Papan	8 Jalan Papan, Singapore	LHN Space Resources	Industrial	8 Jalan Papan is a plot of open land suitable for storage of building materials, containers, machineries, equipment, excavators and parking of vehicles.	Subleasing (storage of building materials, containers, machineries, equipment, excavators and parking of vehicles)	412,700	1,500-49,000	—	2006	N/A ⁽²⁾	33	183,800-153,400	N/A ⁽²⁾	N/A ⁽²⁾	1 year	31 Dec 2017 ⁽⁴⁾	N/A
18 Penjuru	18 Penjuru Road, Singapore	LHN Space Resources	Industrial	18 Penjuru is located in Jurong Industrial Estate. It is a plot of open land used for storage of containers and parking heavy vehicles.	Subleasing (storage of containers and heavy vehicles)	215,900	2,200-70,000	—	2006	N/A ⁽²⁾	2	90,200-100,500	N/A ⁽²⁾	N/A ⁽²⁾	2 years	31 Dec 2018	N/A
566 Woodlands	566 Woodlands Road, Singapore	LHN Space Resources	Industrial	566 Woodlands is located within the Mandai Industrial Estate. Part of the property is a single-storey warehouse and part of the property is a two-storey ancillary office. Units in the property are suitable for storage of construction materials, building materials, engineering works and ancillary workers' dormitory construction materials, building materials, engineering works and ancillary office.	Subleasing (storage of construction materials, building materials, engineering works and ancillary workers' dormitory)	49,600	17,300-20,500	—	2014	1 July 2014	—	65,000-71,000	1 month	1 month	3 years	30 Jun 2020	N/A

Property name	Address	Lessee	Type of property	Description	Existing usage	GFA sq.ft. (approx)	Size range of units sq.ft. (approx)	Number of equivalent parking lots (approx)	Year of first term	Date of commencement of operations	Investment cost as of 30 June 2017 S\$'000 (approx)	Rental cost ⁽¹⁾ S\$ (approx)	Breakeven period	Payback period	Lease term	Lease expiry date	Renewal option
Tan Chong Industrial Park	798/800 Upper Bukit Timah Road, Singapore	LHN Industrial Space	Industrial	Tan Chong Industrial Park is located near to Cashew MRT station and is accessible via Upper Bukit Timah Road. The property comprises of two blocks of single-storey industrial building. Units in the property are suitable for warehousing and ancillary offices.	Subleasing (warehouse and ancillary offices)	66,200	650-34,000	61	2010	12 Apr 2010	5	66,200-72,900	6 months	31 months	2 years	31 Mar 2018	N/A
10 Raeburn Park	10 Raeburn Park, Singapore	GH Suited Offices	Commercial	10 Raeburn Park is located at CBD fringe and within walking distance to Outram Park MRT station. It is a campus-style office property. Units in the property are suitable for office, retail, food and beverage business and commercial school. It is also where our headquarters and Raeburn Park GreenHub are located.	Subleasing (office, refreshment corner, ancillary cafe, commercial school)	160,300	120-19,200	99	2007	1 Jan 2008	5,615	236,300-433,700	N/A ⁽²⁾	N/A ⁽²⁾	3 years	24 Sep 2019	3 years plus a further term of not more than 3 years (subject to landlord's confirmation)
Phoenix Park	300, 302, 304, 306, 308, 310, 312, 314, 316, 318, 320 Tanglin Road, Singapore	LHN Properties Investments	Commercial	Phoenix Park is located between the Orchard MRT and Redhill MRT stations. It is a campus-style office property and comprises of 11 unique character buildings. Units in the property are suitable for office, enrichment centre, childcare centre, foreign system school and food and beverage outlets. It is also where our Phoenix Park GreenHub is located.	Subleasing (office, foreign system school, enrichment centre, childcare centre, in-house canteen, food kiosk)	144,400	200-23,600	114	2008	1 Nov 2008	2,763	328,400-330,100	N/A ⁽²⁾	N/A ⁽²⁾	3 years	6 Aug 2020	4 months and 25 days (subject to landlord's confirmation)
1557 Keppel Road	1557 Keppel Road, Singapore	LHN Properties Investments	Commercial	1557 Keppel Road is located in the fringe of the CBD in Singapore. The property comprises of a three storey main block comprising of office spaces, a warehouse, and two separate four storey blocks comprising of office spaces. Units in the property are suitable for warehousing and office.	Subleasing (office, warehouse)	93,700	150-22,500	53	2011	1 Nov 2011	1,157	110,000-131,900	12 months	43 months	3 years	31 Dec 2019	N/A
Burghley Lifestyle Hub	45 Burghley Drive, Singapore	LHN Properties Investments	Commercial	Burghley Lifestyle Hub is located within the Serangoon Gardens. The property comprises of three single storey blocks. Units in the property are suitable for enrichment centre, sport facility and ancillary food and beverage outlets.	Subleasing (tuition centre, sports facility, cafe)	20,300	800-3,700	51	2010	1 Oct 2010	638	22,200-47,000	25 months	48 months	3 years	5 Jun 2020	N/A

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Property name	Address	Lessee	Type of property	Description	Existing usage	GFA sq.ft. (approx)	Size range of units sq.ft. (approx)	Number of equivalent parking lots (approx)	Year of first term	Date of commencement of operations	Investment cost as of 30 June 2017 S\$'000 (approx)	Rental cost ⁽¹⁾ S\$ (approx)	Breakeven period	Payback period	Lease term	Lease expiry date	Renewal option
The Sports Stage	200 Pandan Gardens, Singapore	LHN Properties Investments	Commercial	The Sports Stage is located in Pandan Gardens, and surrounded by residences and education institutions. It is near to the Jurong Gateway and Jurong East MRT station. The property comprises of one 2 storey block and a single multi-purpose court. Units in the properties are suitable for sport facility, fitness centre and food and beverage outlets.	Subleasing (sports facility, fitness centre, ancillary self-laundry services, cafe)	33,700	220-20,000	19	2012	1 Nov 2012	2,585	18,000-25,000	19 months	Yet to payback	3 years	27 Aug 2018	3 years (subject to landlord's confirmation)
The Firestation	260, 262, 264, 266, 268, 270, 272, 274, Holdings Timah Road, Singapore	CEC	Commercial	The Firestation is located at Bukit Timah and near to Beauty World MRT and Hillview MRT stations. The property comprises of one single-storey former fire station, seven 3 storey blocks and a 2 storey block. Units in the property are suitable for enrichment school and sports enrichment.	Subleasing (family centre, fencing school, enrichment centre, office, food and beverage outlets)	32,700	200-3,400	32	2012	15 Feb 2012	518	70,200-59,500	26 months	37 months	2 years 5 days	31 Jan 2018	N/A
Westway	27 West Coast Highway, Singapore	GH Suited Offices	Commercial	Westway is located at within walking distance from Haw Par Villa MRT station and near to Pasir Panjang Wholesale Centre. The property is a two-storey commercial building. Units in the property are suitable for office, food and beverage outlets and ancillary retail & services. It is also where our Westway GreenHub is located.	Subleasing (office, retail, restaurant, swimming school, martial arts school)	68,500	70-13,000	94	2012	1 Dec 2012	3,242	146,000-192,000	Yet to breakeven	Yet to payback	3 years	30 Nov 2018	3 years plus a further term of not more than 3 years (subject to landlord's confirmation)
Beach Road	11 Beach Road #03-01, Singapore	GH Suited Offices	Commercial	Beach Road GreenHub is located in the CBD of Singapore. It is next to the Raffles Hotel Singapore and eight minutes' walk to the City Hall MRT station. The property consists of 125 workstations.	Subleasing (suited office)	6,900	40-170	—	2017	1 Mar 2017	216	34,400	Yet to breakeven	Yet to payback	4 years	28 Feb 2021	4 years
Plaza Marein	23rd Floor, Plaza Marein office complex, Jalan Kaveling Number 76-78, Jakarta Selatan, Indonesia	PT Hub Hijau	Commercial	Plaza Marein GreenHub is located on the 23rd floor of Plaza Marein. It is an office building situated in the heart of the CBD on Jalan Jenderal Sudirman. It is neighbour to various other office buildings, and a 10-minute walk to shopping malls, banks and hotels. The property currently consists of 200 workstations.	Subleasing (general office and suited office)	13,200	40-240	—	2015	1 Sep 2015	633	36,100	Yet to breakeven	Yet to payback	6 years	31 Jul 2021	N/A

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Property name	Address	Lessee	Type of property	Description	Existing usage	GFA sq.ft. (approx)	Size range of units sq.ft. (approx)	Number of equivalent parking lots	Year of first term	Date of commencement of operations	Investment cost as of 30 June 2017 S\$'000 (approx)	Rental cost ⁽¹⁾ S\$ (approx)	Breakeven period	Payback period	Lease term	Lease expiry date	Renewal option
215 Upper Bukit Timah	215 Upper Bukit Timah Road, Singapore	CEC Holdings	Commercial	215 Upper Bukit Timah is located at Bukit Timah and near to Beauty World MRT station. The property is a 5-storey building. Units in the property are suitable for kindergartens and childcare centres, enrichment centres, food and beverage outlets, offices (subject to approval from the relevant government authority). The property currently consists of one single unit.	Subleasing (kindergarten, childcare centres)	29,500	29,490 ⁽³⁾	20	2014	31 Oct 2014	—	60,000	7 months	9 months	3 years	14 Jul 2020	N/A
34 Pulau Ubin	34 Pulau Ubin, Singapore	LHN Properties Investments	Commercial	34 Pulau Ubin is located in Pulau Ubin, an offshore island of Singapore. The property is a single unit property. Unit in the property is suitable for shops only. The property currently consists of one single unit.	Subleasing (retail shops)	1,600	1,570 ⁽³⁾	—	2012	1 Feb 2013	—	3,200	Yet to breakeven	Yet to payback	3 years	24 Oct 2018	3 years (subject to landlord's confirmation)
85SOHO Serviced Residence	No. 85, Boyar Nyunt Street, Dagon Township, Yangon, Myanmar	GH Yangon	Residential	85SOHO serviced residence offers studios, one bedroom apartments and three bedroom apartments. The property is equipped with a gym room and lounge area for the use by our tenants. The property is also gated and guarded. It is an approximately 31-minute drive from Yangon International Airport, and in the vicinity are landmarks such as Sule Shangri-la Hotel, Park Royal Hotel and Prime Hill Business Square. There is a total of 29 units.	Subleasing (residences)	14,600	650-1,250	—	2015	1 Mar 2016	1,064	14,000	15 months	Yet to payback	1 year	14 Jun 2018	Annual renewal until 14 June 2025
Keramat Road	324A and 420 Keramat Road, Singapore	LHN Management Services	Residential	Keramat Road is located at Admiralty Road West. It has been leased to for operation as dormitory for foreign domestic workers.	Subleasing (foreign domestic workers dormitory)	23,400	179,700 ⁽³⁾	7	2008	N/A ⁽²⁾	525	20,400	N/A ⁽²⁾	N/A ⁽²⁾	2 years 9 months and 4 days	31 Dec 2019	N/A

Notes:

- (1) The highest and lowest monthly rental paid by us for the property during the Track Record Period.
- (2) The first term of the property is prior to 1 October 2009, and we do not have sufficient profit and loss data with breakdown by property prior to that to calculate the breakeven period and payback period for the property.
- (3) The property is leased to a single tenant.
- (4) The current master lease will expire at the end of 2017 and we are negotiating the terms of renewal of the master lease with the landlord as at the Latest Practicable Date.

Properties under Asset Management Arrangements

Property name	Address	Service provider	Type of property	Description	Existing Usage	GFA sq.ft. (approx)	Size range of units sq.ft.	Number of equivalent parking lots	Year of first management agreement or arrangement	Date of commencement of operations	Investment cost as of 30 June 2017	Rental cost	Breakeven period	Payback period	Agreement term	Date of management agreement expiry	Renewal option
38 Ang Mo Kio	38 Ang Mo Kio Industrial Park 2, Singapore	Work Plus Store Company	Industrial	38 Ang Mo Kio is owned by our joint venture. It is located along Ang Mo Kio Industrial Park 2 and within easy access to the expressway. The property comprises of part three-storey, part four-storey and part eight-storey industrial buildings. The property was acquired by our joint venture in 2016. Units in the property are suitable for Warehousing, self storage and work spaces. It is also home to the Work+Store Space @ 38AMK.	Subleasing (B2 clean and light industry)	341,000	100-7,270	53 (approx)	2016	18 Jul 2016	—	N/A	N/A	N/A	N/A ⁽¹⁾	31 Mar 2041 ⁽¹⁾	N/A
44 Kallang Place	44 Kallang Place, Singapore	Singapore Handicrafts	Industrial	44 Kallang Place is owned by our joint venture. It is located along Kallang Place and within walking distance to the Kallang MRT station. The property is a six-storey industrial building. The property was acquired by our joint venture in 2016. Units in the property are suitable for B1 light industrial operations, warehouse and ancillary offices. As at the Latest Practicable Date, the property is under renovation and we expect a new PickJunction location and a new Work+Store location to be opened at this property.	—	123,100	300-18,700	30	2016	10 Oct 2016	—	N/A	N/A	N/A	N/A ⁽¹⁾	28 Feb 2033 ⁽¹⁾	N/A
118 Joo Chiat	118 Joo Chiat Road, Singapore	GH Suited Offices	Commercial	118 Joo Chiat is located along Joo Chiat Road. The property comprises of a four-storey commercial building with attic. Units in the property are suitable for office.	Office	18,600	300-2,200	—	2017	15 Mar 2017	—	N/A	N/A	N/A	5 years	14 Mar 2022	N/A
Balestier Road ⁽²⁾	1, 3, 5, 7, 9, 11 Balestier Road, Singapore	LHN Residence	Commercial and Residential	Balestier Road is a row of part two-storey and part four-storey shophouse along Balestier Road. Units in the property are suitable for commercial on the ground floor and residential space on the upper floor(s).	Commercial: Retail shops Residential: 85 SOHO serviced residence	17,000	Commercial: 900-2,100 Residential: under renovation	—	2017	Commercial: 13 Mar 2017 Residential: 15 Sept 2017	—	N/A	N/A	N/A	5 years	28 Feb 2022	N/A

Notes:

- (1) The asset management arrangement has been set out under the relevant shareholders agreement or joint venture agreement and there is no expiry date of such agreement. The asset management arrangement will subsist as long as the joint venture company is in existence or as otherwise agreed among the parties in writing. As such, the expiry date refers to the expiry of the term of the leasehold.
- (2) The property is part commercial and part residential.

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2 Key Information of Properties by Region during the Track Record Period

Our Leased and Owned Properties

For the year ended 30 September 2014

Property	Number of properties	Aggregate average NLA ⁽¹⁾ sq.ft. (approx)	Aggregate revenue contribution ⁽²⁾ S\$'000 (approx)	Aggregate gross profit contribution ⁽²⁾ S\$'000 (approx)	Average occupancy rate ⁽³⁾ %	Average rental ⁽⁴⁾ S\$/sq.ft. (approx)	Number of tenants ⁽⁵⁾ (approx)
A. Our Industrial Properties							
Singapore							
North zone ⁽⁶⁾⁽⁹⁾	3	97,600	1,006	495	100.0	0.86	5
North east zone	—	—	—	—	—	—	—
Central zone	6	607,400	12,605	5,608	97.1	1.75	238
East zone	—	—	—	—	—	—	—
West zone ⁽⁸⁾	11	2,471,600	27,808	7,411	94.5	1.01	140
Subtotal for industrial properties⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾	20	3,176,600	41,419	13,514	95.2	1.15	383
B. Our Commercial Properties							
Singapore							
North east zone	1	19,000	697	284	92.6	3.30	8
North eastern islands zone	2	5,100	41	(57)	31.0	2.19	1
Central zone	6	421,800	17,619	4,460	90.2	3.87	268
East zone	1	17,200	165	61	100.0	0.80	1
West zone	2	63,800	2,055	752	92.9	2.91	30
Overseas	1	4,600	62	(58)	10.4	8.45	4
Subtotal for commercial properties⁽⁶⁾	13	531,500	20,639	5,442	89.7	3.61	312
C. Our Residential Properties							
Singapore							
North zone	1	179,700	259	13	100.0	0.12	1
Central zone ⁽⁷⁾	2	61,700	2,852	(223)	98.0	3.87	40
West zone	1	141,700	4,177	1,590	98.1	2.49	308
Overseas	—	—	—	—	—	—	—
Subtotal for residential properties⁽⁷⁾⁽⁸⁾	4	383,100	7,288	1,380	99.0	1.59	349
Total	37	4,091,200	69,346	20,336	94.8	1.49	1,044

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For the year ended 30 September 2015

Property	Number of properties	Aggregate average NLA ⁽¹⁾ sq.ft. (approx)	Aggregate revenue contribution ⁽²⁾ S\$'000 (approx)	Aggregate gross profit contribution ⁽²⁾ S\$'000 (approx)	Average occupancy rate ⁽³⁾ % (approx)	Average rental ⁽⁴⁾ S\$/sq.ft. (approx)	Number of tenants ⁽⁵⁾ (approx)
A. Our Industrial Properties							
Singapore							
North zone ⁽⁶⁾⁽⁹⁾	4	176,100	1,984	806	100.0	0.94	8
North east zone	2	38,800	228	(936)	23.5	2.07	11
Central zone	7	598,200	13,123	6,043	97.0	1.83	243
East zone	1	38,500	1,012	(1,237)	52.1	1.57	6
West zone	13	2,504,100	29,467	7,449	93.3	1.08	174
Subtotal for industrial properties⁽⁶⁾⁽⁹⁾	27	3,355,700	45,814	12,125	93.0	1.22	442
B. Our Commercial Properties							
Singapore							
North east zone	1	19,000	749	154	88.3	3.65	8
North eastern islands zone	2	5,100	49	(59)	100.0	0.82	2
Central zone	6	401,800	19,200	5,815	96.2	4.08	298
East zone	1	17,200	171	63	100.0	0.83	1
West zone	2	64,600	2,200	911	99.4	2.84	32
Overseas	2	10,200	490	242	45.4	6.79	47
Subtotal for commercial properties⁽⁶⁾	14	517,900	22,859	7,126	95.5	3.79	388
C. Our Residential Properties							
Singapore							
North zone	1	179,700	258	12	100.0	0.12	1
Central zone	2	53,400	2,386	(423)	97.6	3.48	34
West zone	—	—	—	(26) ⁽¹⁰⁾	—	—	—
Overseas ⁽¹¹⁾	1	5,400	—	(49)	—	—	—
Subtotal for residential properties	4	238,500	2,644	(486)	97.2	0.87	35
Total	45	4,112,100	71,317	18,765	93.6	1.53	865

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For the year ended 30 September 2016

Property	Number of properties	Aggregate average NLA ⁽¹⁾ sq.ft. (approx)	Aggregate revenue contribution ⁽²⁾ S\$'000 (approx)	Aggregate gross profit contribution ⁽²⁾ S\$'000 (approx)	Average occupancy rate ⁽³⁾ % (approx)	Average rental ⁽⁴⁾ S\$/sq.ft. (approx)	Number of tenants ⁽⁵⁾ (approx)
A. Our Industrial Properties							
Singapore							
North zone ⁽⁶⁾⁽⁹⁾	5	184,700	2,186	900	100.0	0.98	7
North east zone	2	82,800	1,951	129	73.7	2.60	78
Central zone	6	599,800	12,869	5,637	94.1	1.85	255
East zone	1	459,500	8,219	377	89.7	1.56	61
West zone	11	2,324,400	27,418	7,295	95.4	1.05	178
Subtotal for industrial properties⁽⁶⁾⁽⁹⁾	25	3,651,200	52,643	14,338	94.2	1.27	579
B. Our Commercial Properties							
Singapore							
North east zone	1	19,000	904	331	97.5	3.89	10
North eastern islands zone	2	2,800	48	(12)	100.0	1.45	1
Central zone	5	395,900	18,251	5,186	93.6	4.06	296
East zone	1	17,200	171	63	100.0	0.83	1
West zone	2	64,300	2,548	1,248	98.5	3.33	31
Overseas	2	17,100	1,101	255	55.9	8.57	89
Subtotal for commercial properties⁽⁶⁾	13	516,300	23,023	7,071	93.4	3.92	428
C. Our Residential Properties							
Singapore							
North zone	1	179,700	258	12	100.0	0.12	1
Central zone	2	5,900	170	(20)	93.4	4.05	5
West zone	—	—	—	—	—	—	—
Overseas	1	16,800	235	35	27.0	4.37	6
Subtotal for residential properties	4	202,400	663	27	93.8	0.29	12
Total	42	4,369,900	76,329	21,436	94.1	1.53	1,019

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For the nine months ended 30 June 2017

Property	Number of properties	Aggregate average NLA ⁽¹⁾ sq.ft. <i>(approx)</i>	Aggregate revenue contribution ⁽²⁾ S\$'000 <i>(approx)</i>	Aggregate gross profit contribution ⁽²⁾ S\$'000 <i>(approx)</i>	Average occupancy rate ⁽³⁾ % <i>(approx)</i>	Average rental ⁽⁴⁾ S\$/sq.ft. <i>(approx)</i>	Number of tenants ⁽⁵⁾ <i>(approx)</i>
A. Our Industrial Properties							
Singapore							
North zone ⁽⁶⁾⁽⁹⁾	5	201,600	1,777	735	100.0%	0.97	8
North east zone	2	81,000	1,840	419	90.8%	2.73	121
Central zone	6	591,400	8,858	3,355	87.5%	1.86	272
East zone	1	459,000	6,944	1,200	98.3%	1.61	74
West zone	7	1,771,000	13,746	1,447	85.3%	1.00	133
Subtotal for industrial properties⁽⁶⁾⁽⁹⁾	21	3,104,000	33,165	7,156	88.7%	1.31	608
B. Our Commercial Properties							
Singapore							
North east zone	1	19,000	671	246	100.0%	3.87	10
North eastern islands zone	1	1,600	33	4	100.0%	2.36	1
Central zone	6	384,000	13,048	2,138	87.3%	4.27	293
East zone	1	7,600	43	16	100.0%	0.83	0 ⁽¹²⁾
West zone	2	64,300	1,960	998	100.0%	3.36	33
Overseas	2	17,100	1,089	528	83.0%	7.59	134
Subtotal for commercial properties⁽⁶⁾	13	493,600	16,844	3,930	89.5%	4.18	471
C. Our Residential Properties							
Singapore							
North zone	1	179,700	206	21	100.0%	0.13	1
Central zone	1	200	7	1	100.0%	4.83	0 ⁽¹²⁾
West zone	—	—	—	—	—	—	—
Overseas	1	15,500	633	464	92.5%	4.89	24
Subtotal for residential properties	3	195,400	846	486	99.4%	0.48	25
Total	37	3,793,000	50,855	11,572	89.4%	1.63	1,104

Notes:

- (1) Calculated by dividing the aggregate accumulated monthly NLA of the properties in the region for the year/period by the number of months in the year/period.
- (2) The revenue contribution and gross profit contribution in the table exclude revenue and gross profit generated from (i) furniture trading, (ii) events and valet storage, (iii) asset management of a property excluded from our Group as a result of the corporate reorganisation for our Catalist Listing, and (iv) general contract works.
- (3) Calculated by dividing the aggregate accumulated monthly occupied NLA of the properties in the region by the aggregate accumulated monthly NLA of the properties in the region during the year/period.

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- (4) Calculated by dividing the aggregate accumulated rental income (including facility fee) and warehouse services fees generated by the properties in the region by the aggregate accumulated monthly occupied NLA of the properties in the region during the year/period.
- (5) Calculated by dividing the aggregate accumulated monthly number of tenants during the year/period of the properties in the region by the number of months in the year/period.
- (6) During the Track Record Period, revenue and profit generated from two of our industrial properties have been accounted for under our commercial properties segment of our space optimisation business as the entity which has obtained the master leases is a subsidiary categorised under the commercial properties segment as such subsidiary is primarily engaged in the commercial properties business. The figures presented in this table have included these two properties under the industrial properties segment, which is the actual nature of these properties in our business, and excluded these properties from the commercial properties segment. For the years ended 30 September 2014, 2015, 2016, and the nine months ended 30 June 2017, the revenue contribution from these properties amounted to S\$559,000, S\$585,000, S\$713,000 and S\$660,000, respectively, the gross profit contribution from these two properties amounted to S\$352,000, S\$352,000, S\$374,000 and S\$327,000, respectively, and the average NLA of these properties amounted to 49,900 sq.ft., 49,900 sq.ft., 58,400 sq.ft. and 75,300 sq.ft., respectively.
- (7) For the year ended 30 September 2014, revenue and profit generated from one of our residential properties between 1 October 2013 and 28 February 2014 has been accounted for under our industrial segment as the master lease at the time has been entered into by a subsidiary categorised under the industrial properties segment as such subsidiary is primarily engaged in the industrial properties business. This property ceased to be our property on 1 March 2014. The figures presented in this table for the year ended 30 September 2014 have included this property under the residential properties segment between 1 October 2013 and 28 February 2014, which is the actual nature of this property in our business, and have excluded the property from the industrial properties segment. Between 1 October 2013 and 28 February 2014, the revenue contribution of the property, gross loss of the property and the average NLA amounted to S\$439,000, S\$157,000 and 9,900 sq.ft., respectively.
- (8) For the year ended 30 September 2014, revenue and profit generated from one of our industrial properties between 1 October 2013 and 30 June 2014 has been accounted for under our residential segment as the master lease at the time has been entered into by a subsidiary categorised under the residential properties segment as such subsidiary is primarily engaged in the residential properties business. The master lease has been novated to one of our subsidiaries categorised under the industrial segment on 1 July 2014, and the revenue and profit generated from the property has been accounted for under the industrial properties business since then. The figures presented in this table for the year ended 30 September 2014 have included this property under the industrial properties segment between 1 October 2013 and 30 June 2014, which is the actual nature of this property in our business before the novation, and have excluded the property from the residential properties segment. Between 1 October 2013 and 30 June 2014, the revenue contribution of the property, gross loss of the property and the average NLA amounted to S\$1,509,000, S\$16,000 and 153,800 sq.ft., respectively.
- (9) During the Track Record Period, revenue and profit generated from one of our industrial properties between 1 October 2013 and 31 January 2017 has been accounted for under our logistics services business as the master lease at the time has been entered into by a subsidiary categorised under the logistics services business segment as such subsidiary is primarily engaged in the logistics services business. The master lease has been novated to one of our subsidiaries categorised under the industrial segment of our space optimisation business on 1 February 2017, and the revenue and profit generated from the property has been accounted for under the industrial properties segment of space optimisation business since then. The figures presented in this table have included this property under the industrial properties segment between 1 October 2013 and 31 January 2017, which is the actual nature of this property in our business before the novation. For the years ended 30 September 2014, 2015, 2016, and during the period between 1 October 2016 and 31 January 2017, the revenue contribution of the

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property amounted to S\$159,000, S\$202,000, S\$225,000 and S\$80,000, respectively, the gross profit of the property amounted to S\$68,000, S\$111,000, S\$134,000 and S\$50,000, respectively, and the average NLA of the property amounted to 22,100 sq.ft., 22,100 sq.ft., 22,100 sq.ft. and 9,800 sq.ft., respectively.

- (10) We have paid certain expenses after the expiry of the lease for minor repair works and rubbish disposal, but have not generated any revenue after the expiry.
- (11) The property in the region was under renovation during the period.
- (12) The number of tenants is less than 0.5.

Properties under Asset Management Arrangements

For the year ended 30 September 2016

Property	Number of properties	Aggregate average NLA ⁽¹⁾ sq.ft. (approx)	Aggregate revenue contribution S\$'000 (approx)	Aggregate gross profit contribution S\$'000 (approx)	Average occupancy rate ⁽²⁾ %(approx)	Average rental ⁽³⁾ S\$/sq.ft. (approx)	Number of tenants ⁽⁴⁾ (approx)
A. Our Industrial Properties							
North east zone	1	54,600	2	2	1.2	3.57	0 ⁽⁵⁾
Total	1	54,600	2	2	1.2	3.57	—

For the nine months ended 30 June 2017

Property	Number of properties	Aggregate average NLA ⁽¹⁾ sq.ft. (approx)	Aggregate revenue contribution S\$'000 (approx)	Aggregate gross profit contribution S\$'000 (approx)	Average occupancy rate ⁽²⁾ %(approx)	Average rental ⁽³⁾ S\$/sq.ft. (approx)	Number of tenants ⁽⁴⁾ (approx)
A. Our Industrial Properties							
North east zone	1	239,500	44	44	9.8	1.91	16
Central zone	1	64,800	23	23	31.1	1.33	8
B. Our Commercial Properties							
Central zone ⁽⁶⁾	1.5	8,200	12	12	55.0	2.88	6
C. Our Residential Properties							
Central zone ⁽⁶⁾⁽⁷⁾	0.5	3,700	—	—	—	—	—
Total	4⁽⁶⁾	316,200	79	79	15.3	1.75	30

Notes:

- (1) Calculated by dividing the aggregate accumulated monthly NLA of the properties in the region for the year/period by the number of months in the year/period.
- (2) Calculated by dividing the aggregate accumulated monthly occupied NLA of the properties in the region by the aggregate accumulated monthly NLA of the properties in the region during the year/period.

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- (3) Calculated by dividing the aggregate accumulated rental income (including facility fee) and warehouse services fees generated by the properties in the region by the aggregate accumulated monthly occupied NLA of the properties in the region during the year/period.
- (4) Calculated by dividing the aggregate accumulated monthly number of tenants during the year/period of the properties in the region by the number of months in the year/period.
- (5) The number of tenants is less than 0.5.
- (6) Included a part commercial and part residential property. The NLA of the property has been split into the commercial segment and the residential segment according to the actual usage. The total number of properties has only accounted this property as one property.
- (7) The property in the region was under renovation during the period.

F. Historical Movements of Our Properties

We set out below the movement of the number of industrial, commercial and residential properties, respectively, owned or leased by us during the Track Record Period:

Industrial Properties

	During the year ended 30 September			During the nine months ended
	2014	2015	2016	30 June 2017
At the beginning of the period	19	20	24	21
Acquired during the period	—	2	—	—
Obtained master lease during the period	1	5	1	—
Lease expired during the period	—	(3)	(4)	(2)
At the end of the period	20	24	21	19

During the Track Record Period, we acquired two industrial properties during the year ended 30 September 2015, and obtained master leases for one, five and one industrial properties during the year ended 30 September 2014, 2015 and 2016, respectively. We have in particular increased our portfolio as we have completed our Catalist Listing in April 2015 and obtained net proceeds from the Catalist Listing. We have utilised our net proceeds from the Catalist Listing to carry out our business strategies to grow our property portfolio and acquire our own properties as disclosed in our Catalist Listing prospectus. All of the eight industrial properties that we have discontinued operations during the Track Record Period were due to expiry of master leases, six of which were not renewed due to redevelopment plans of the site, one of which was not renewed due to high investment cost required to improve the premises, and one of which was not renewed due to short renewal term being offered.

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Commercial Properties

	During the year ended 30 September			During the nine months ended
	2014	2015	2016	30 June 2017
At the beginning of the period	11	13	13	12
Acquired during the period	1	—	—	—
Obtained master lease during the period	1	1	—	1
Lease expired during the period	—	(1)	(1)	(1)
At the end of the period	13	13	12	12

During the Track Record Period, we acquired one commercial property during the year ended 30 September 2014, and obtained master leases for one, one and one commercial properties during the year ended 30 September 2014 and 2015, and the nine months ended 30 June 2017, respectively. All of the three commercial properties that we have discontinued operations in during the Track Record Period were due to expiry of master leases, two of which were not renewed due to the size of the project being smaller than our other projects and we believe it would be more meaningful to focus on larger projects, and one of which was not renewed as we did not successfully win the re-tender.

Residential Properties

	During the year ended 30 September			During the nine months ended
	2014	2015	2016	30 June 2017
At the beginning of the period	4	2	4	3
Acquired during the period	—	—	—	—
Obtained master lease during the period	—	2	—	—
Lease expired during the period	(2)	—	(1)	(1)
At the end of the period	2	4	3	2

During the Track Record Period, we obtained master leases for two residential properties during the year ended 30 September 2015. All of the four residential properties that we have discontinued operations in during the Track Record Period were due to expiry of master leases. These four residential properties targeted at foreigners who work in Singapore on a non-permanent basis. In the past years, due to change of government policies in relation to foreign workers, we anticipated that the number of foreigners working in Singapore would decrease and therefore would adversely affect the demand in rental market of residential properties in Singapore. As such, we considered it was not commercially viable to continue operations in these residential properties and decided not to renew the master leases upon expiry.

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G. Master Leases Expiry

We set out below a summary of master leases expired or expiring during the periods indicated:

<u>Master leases expired/expiring</u>	<u>Number of properties</u>	<u>Aggregate revenue contribution</u>			
		<u>For the year ended 30 September</u>			<u>For the nine months ended</u>
		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>30 June 2017</u>
		S\$'000	S\$'000	S\$'000	S\$'000
During the year ended/ ending 30 September					
2017	4	1,553	1,976	1,939	925
2018	7	8,874	9,447	9,041	6,984
2019	6	13,274	13,863	12,447	9,355
During the three years ending 30 September 2022	14	28,071	32,190	43,253	29,256
On or after 1 October 2022	2	2,296	3,066	3,565	2,801

Towards the end of the lease term of the master leases, we will either consider whether to exercise the renewal option, if any, or to negotiate the renewal of the lease if there is no renewal option. We may also submit a new tender for the property if we have obtained the property through tender. We will commence negotiations with our landlord for the renewal of the current lease term at least six months prior to the expiry of the lease. However, in some occasions, we considered renewal is not beneficial to our business or the landlord decided not to renew the master lease with us due to alternative redevelopment plan or change in land use. In such cases, we will try to secure new replacement lease in the market to maintain our rental income level. In addition, we also continuously search for or evaluate new master lease opportunities to grow our business. See “Business — Our Business Processes — A. Space Optimisation Business — 4. Finalise and Execute — Managing the Property” and “Business — Our Landlords and Our Suppliers — Contracting with Our Landlords and Suppliers — Space Optimisation Business” in this prospectus for details.

It is the nature of our space optimisation business that master leases may expire without securing any renewals and new master leases may be secured, both as replacement of expired master leases and expansion of our property portfolio, from time to time. In the event that we are unable to renew our master leases upon expiry and fail to secure new master leases as replacement, it may have a material and adverse effect on our business, results of operations, financial condition and prospects. See “Risk Factors — Risks Relating to our Business — Majority of our space optimised properties are obtained through master leases. If we are unable to renew or re-tender for the master leases, our business, financials and operations may be materially affected.” in this prospectus for details.

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H. Tenders Submitted during the Track Record Period

We set out below a summary of tender applications submitted by us during the Track Record Period:

	For the year ended 30 September			For the nine months ended 30 June 2017	Aggregate during the Track Record Period
	2014	2015	2016	2017	
Number of new tender applications submitted	—	3	1	2	5
Number of re-tender applications submitted	2	1	2	—	5
Total number of tender applications submitted	2	4	3	2	10
Number of successful tender applications	1	1	2	—	4
Success Rate	50%	25%	66.7%	0%	40%

During the Track Record Period, the success rate of tender application for each period fluctuated between 0% and 66.7%. For each period, the number of tender applications submitted ranged from one to four. Due to the small amount of tender applications submitted during each period, we consider the absolute number of successful tender applications rather than the success rate is more representative as to our ability to acquire master lease through tender process. For each of the year ended 30 September 2014, 2015 and 2016, we succeeded in one to two tender applications. During the nine months ended 30 June 2017, we only submitted two tender applications, which was due to a limited number of suitable properties available for tender. We consider there have not been any material fluctuations in the number of successful tender applications during the Track Record Period.

I. Background of our Landlords

As at the Latest Practicable Date, we leased 29 properties with a total GFA of 3,655,900 sq.ft. for sub-leasing to our tenants under our space optimisation business, of which fourteen properties with an aggregate GFA of 1,437,900 sq.ft., representing 39.3% of the total GFA of our leased properties, were leased from a Singapore government agency, six properties with an aggregate GFA of 1,840,500 sq.ft., representing 50.3% of the total GFA of our leased properties, were leased from companies that carry on real estate related business, such as real estate management, REIT and real estate fund management, real estate development and real estate leasing, and nine properties with an aggregate GFA of 377,500 sq.ft., representing 10.3% of the total GFA of our leased properties, were leased from other private companies and individuals.

J. Breakeven Point and Investment Payback Period

We consider a property of our space optimisation business to have reached a breakeven point when the monthly revenue generated from the property can cover the monthly expenses of the property. During the Track Record Period, of the 15 new properties, 12 of which are leased properties and the remaining three are owned properties. The amount of renovation we put into a property for our space optimisation business depends on a number of factors. We typically will invest a greater amount for renovation of our owned properties than leased properties as there is no guarantee that the master lease will be renewed and, in the event of non-renewal, we will need to return the property to the landlord. For leased properties, we will also consider the term of lease and the expected likelihood of renewal upon expiry of the master lease. Other factors that we may consider in determining the investment on renovation include the condition, size, type and planned future use of the property. The breakeven point for our owned properties and our leased properties for our space optimisation business is different. During the Track Record Period, eight of our new leased properties have achieved the breakeven point with an average of six months and one of our new owned properties have achieved the breakeven point in one month. The remaining four leased properties and two owned properties did not achieved breakeven point because: (i) one of the leased commercial properties and the one owned industrial property were new projects which commenced only in the first quarter of 2017; (ii) two of the leased industrial properties were affected by changes in the market demand for space in their vicinity; and (iii) one of the leased commercial properties and one owned commercial property, where we operate our GreenHub locations, were affected by the market uncertainty from the election of the Jakarta governor.

We optimised space of our leased or owned properties through renovation and space planning before we launch the properties for leasing. Our additions to renovation works for our properties (being properties that we lease or own for subletting) for the year ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017 amounted to S\$3.0 million, S\$4.8 million, S\$1.9 million and S\$0.9 million, respectively.

We define the investment payback period of a leased property to be the amount of time it takes for the accumulated operating cashflow generated from the property equals to the initial investment costs to prepare the property for leasing, and we define the investment payback period of an owned property to be the amount of time it takes for the accumulated operation cashflow generated from the property equals to the property acquisition cost plus the initial investment costs to prepare the property for leasing. Of the 12 new leased properties, five of the properties have achieved investment payback with an average of approximately five months, and the remaining seven properties did not achieve investment payback because (i) majority of these properties were of a larger scale as compared to those that had achieved investment payback; (ii) three of the industrial properties were new properties in 2015, of a larger scale and had higher investment costs, thus requiring additional time to recover the initial investment costs; and (iii) we incurred higher investment costs for one of our new commercial properties and thus require longer time to achieve investment payback; (iv) one of our new residential properties only commenced leasing in March 2016 and has a higher

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investment costs, thus require longer investment payback; and (v) the lease with our tenant for one property was terminated. As for the three owned properties, none of the properties have achieved investment payback as the investment is much larger than the leased properties, and our consideration in acquiring a property is not only to generate revenue, but also the potential upside on the property investment, possibility of increasing the GFA and the potential capital gains of the property at the time as compared to the offer price of the property. See “Business — Our Business Processes — Space Optimisation Business” in this prospectus for more information.

All of our breakeven point and investment payback point are based on unaudited financial figures in our internal records.

K. Compliance with the Relevant Laws and Regulations

For details of our properties under our space optimisation business that we have obtained through acquisition and master leases as at the Latest Practicable Date, see “— Properties” in this section. Our Directors confirm that the existing usages of these properties as at the Latest Practicable Date are stated in the said section (the “**Stated Usage**”): For Singapore, our legal advisers as to Singapore laws, Morgan Lewis Stamford LLC, have advised us that the Stated Usage of the Singapore properties are approved or permissible uses under the Planning Act (Cap. 232) of Singapore. For Indonesia, our legal advisers as to Indonesia law, Dau & Tuah, have advised us that the Stated Usage of the Indonesian properties have complied with the permitted usage of all the properties the Indonesian Subsidiaries have owned or leased in Indonesia in accordance with the applicable laws and regulations of Indonesia. For Myanmar, our legal advisers as to Myanmar law, Polastri Wint & Partners Legal Services Limited, have advised us that the Stated Usage of the building located at No. 85 Boyar Nyunt Street, Dagon Township, Yangon, Myanmar leased by GH Yangon has complied with the permitted usage in accordance with the applicable laws and regulations of Myanmar.

II. FACILITIES MANAGEMENT BUSINESS

Our facilities management business provides property related services to our properties and our customers in Singapore. We offer three main areas of services, namely, comprehensive cleaning and related services, car park management services and security services. For the year ended 30 September 2014, 2015, 2016 and nine months ended 30 June 2017, 45.9%, 25.6%, 21.4% and 15.8%, respectively, of our revenue generated from our facilities management business were related to services provided to our properties and service provided to our customers who were Independent Third Parties or our joint venture properties in Singapore and the car park we manage in Hong Kong.

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We set out below a summary table of different services we provide under our facilities management business:

Services	Our brand	Descriptions of Services
Cleaning and related services		<ul style="list-style-type: none"> • Repair and maintenance • Cleaning • Landscaping • Provision of amenities and utilities
Car park management services		<ul style="list-style-type: none"> • Car park management
Security services		<ul style="list-style-type: none"> • Ground security • Surveillance security systems

Our comprehensive cleaning and related services include repair and maintenance of the properties, cleaning services for offices and public areas of the properties, external wall and windows cleaning and provision of amenities and utilities to the occupants of the properties. Our cleaning services was awarded the Clean Mark Silver Award in 2013 to 2015 and the Clean Mark Gold Award in 2015 to 2017, under the Clean Mark Accreditation Scheme of the National Environmental Agency of Singapore for cleaning services in the conservancy/public area, commercial premises and food and beverage establishment sectors. We can also arrange our associated company, Nopest Company, to provide pest control and fumigation services for our customers. As at the Latest Practicable Date, ICFM has been registered as a vector control operator in relation to potential provision of pest control and fumigation services to our customers in the future.

Our car park management services are servicing parking lots by using technologies. In Singapore, our managed car parks are installed with surveillance cameras and centrally monitored at our headquarters. We can address any enquiries from users of the car parks through the intercoms installed at the car parks remotely. We are also able to remotely control the electric entry/exit barrier. Our mobile response team can attend to any matters physically at the car parks if necessary. To provide convenience to both our customers and the car park users, we have an online portal for our users to make seasonal payments for their car park rental and to register for seasonal car park. Our car parks in Singapore have been installed with the electronic parking system (EPS) to facilitate settlement of hourly parking payments by electronic means. As at the Latest Practicable Date, we are managing over 8,000 equivalent parking lots in 31 external properties, 11 leased properties managed under our space optimisation business and two properties owned by our joint ventures, namely car park at Golden Mile Tower, Singapore owned by Metropolitan Parking, and car park at 38 Ang Mo Kio Industrial Park 2, Singapore owned by Work Plus Store (AMK). All of the car parks managed by us as at the Latest Practicable Date are located in Singapore except one is located in Hong Kong. In addition, we will commence operations of 11 new car parks at external properties in January 2018, ten of which are in Singapore and the remaining one is in Hong Kong.

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Among the 31 car parks at external properties we managed as at the Latest Practicable Date, and 11 new car parks at external properties, operations of which will commence in January 2018, four of them are leased by us from the landlord in Singapore, namely, car parks at 3 Second Hospital Avenue, Singapore, 794 Upper Bukit Timah Road, Singapore, 8 Mattar Road, Singapore and No. 20 Carnarvon Road, Hong Kong. Other car parks managed by us are under licence or management arrangement where we do not acquire any interest in the property itself. We set out below a summary of the car parks managed by us at external properties as at the Latest Practicable Date, and car parks at external properties that we will start managing in January 2018:

<u>Lessee/Licencee</u>	<u>Number of equivalent parking lots (approx.)</u>	<u>Expiry date (year)</u>	<u>Renewal term</u>	<u>Location</u>
<i><u>Leased car parks</u></i>				
1. LHN Parking	368	2018	3 years	Car park at park at Basement & Level 1 Health Promotion Board (HPB), 3 Second Hospital Avenue, Singapore
2. LHN Parking	31	2018	3 years	Car park at park 794 Upper Bukit Timah Road, Singapore
3. LHN Parking	70	2019	3 years	Car park at 8 Mattar Road, Singapore
4. LHN Parking HK	30	2020	1 year	Car park at the basement level 2, Carnarvon Plaza, No. 20 Carnarvon Road, Tsim Sha Tsui, Hong Kong ⁽¹⁾
<i><u>Car parks under licence or management arrangement</u></i>				
5. LHN Parking	275	2017 ⁽²⁾	N/A	Car park at Gillman Barracks, Singapore
6. LHN Parking	285	2018	Up to 2 years exercisable by the licensor	Car park at Angullia Park, Singapore
7. LHN Parking	19	2018	Up to 2 years exercisable by the licensor	Car park at Penang Road, Singapore
8. LHN Parking	17	2018	Up to 2 years exercisable by the licensor	Car park at Neil Road, Singapore
9. LHN Parking	13	2018	Up to 2 years exercisable by the licensor	Car park at Kampong Kapor Road, Singapore
10. LHN Parking	13	2018	Up to 2 years exercisable by the licensor	Car park at Hindoo Road, Singapore
11. LHN Parking	32	2018	Up to 2 years exercisable by the licensor	Car park at Shrewsbury Road, Singapore
12. LHN Parking	32	2018	Up to 2 years exercisable by the licensor	Car park at Kampong Bugis, Singapore
13. LHN Parking	560	2018	Up to 2 years exercisable by the licensor	Car park at East Coast Park E1, Singapore
14. LHN Parking	362	2018	Up to 2 years exercisable by the licensor	Car park at East Coast Park E2, Singapore

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Lessee/Licencee	Number of equivalent parking lots (approx.)	Expiry date (year)	Renewal term	Location
15. LHN Parking	43	2018	Up to 2 years exercisable by the licensor	Car park at East Coast Park E3, Singapore
16. LHN Parking	128	2018	Up to 2 years exercisable by the licensor	Car park at Grange Road/Somerset Road, Singapore
17. LHN Parking	1,664	2018 ⁽³⁾	N/A	Car park at YS-One at Block 1 Yishun Street 23, Singapore
18. LHN Parking	78	2017 ⁽²⁾	3 years (subject to licensor's confirmation)	Car park at 2 Jalan Kilang Barat, Singapore
19. LHN Parking	53	2017 ⁽²⁾	3 years (subject to licensor's confirmation)	Car park at 11 Chang Charn Road, Singapore
20. LHN Parking	321	2018	3 years	Car park at 22 New Industrial Road, Singapore
21. LHN Parking	408	2018	3 years	Car park at APEX@Henderson, 201 Henderson Road, Singapore
22. LHN Parking	29	2020	N/A	Car park at Singapore Khalsa Association, 2 Tessensohn Road, Singapore
23. LHN Parking	102	2017 ⁽²⁾	N/A	Car park at Macpherson Mall, 401 Macpherson Road, Singapore
24. LHN Parking	250	2019	N/A	Car park at the Parliament House, 1 Parliament Place, Singapore
25. LHN Parking	20	2020	3 years	Car park at Pioneer Lot, 25 Benoi Road, Singapore
26. LHN Parking	167	2021	2 years	Car park at Lorong Bekukong, Singapore
27. LHN Parking	63	2022	2 years	Car park at Sembawang Road, Singapore
28. LHN Parking	114	2022	2 years	Car park at Serangoon Road, Singapore
29. LHN Parking	828	2018	3 years	Car park at 18 Tampines Industrial Crescent, Singapore
30. LHN Parking HK	79	2020	N/A	Car park at Ground Floor of Tai Po Government Offices, No. 1 Ting Kok Road, Tai Po, Hong Kong ⁽⁴⁾
31. LHN Parking	474	2022	5 years	Car park at 7th, 8th and 9th Storey of 71 Woodlands Industrial Park E9, Singapore
32. LHN Parking	133	2022	N/A	Car park at 600 Upper Thomson Road, Singapore
33. LHN Parking	570	2020	N/A	Car park at 3016 Bedok North Avenue 4, Singapore ⁽⁵⁾
34. LHN Parking	1,655	2020	N/A	Car park at 3018 Bedok North Street 5, Singapore ⁽⁵⁾
35. LHN Parking	60	2020	N/A	Car park at Blk 3016–3019 Ubi Road 1, Singapore ⁽⁵⁾

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Lessee/Licencee	Number of equivalent parking lots (approx.)	Expiry date (year)	Renewal term	Location
36. LHN Parking	142	2020	N/A	Car park at Blk 3020–3021 Ubi Ave 2, Singapore ⁽⁵⁾
37. LHN Parking	384	2020	N/A	Car park at Blk 3024–3027 Ubi Road 3, Singapore ⁽⁵⁾
38. LHN Parking	335	2020	N/A	Car park at Blk 3022–3023 Ubi Road 3, Singapore ⁽⁵⁾
39. LHN Parking	488	2020	N/A	Car park at Blk 3004–3007, 3014 & Blk 3015 Ubi Road 1, Singapore ⁽⁵⁾
40. LHN Parking	436	2020	N/A	Car park at 1 Kaki Bukit Avenue 3, Singapore ⁽⁵⁾
41. LHN Parking	280	2020	N/A	Car park at 2 Kaki Bukit Avenue 2, Singapore ⁽⁵⁾
42. LHN Parking	452	2020	N/A	Car park at 1 Kaki Bukit Avenue 6, Singapore ⁽⁵⁾

Notes:

- (1) The lease term of the car park will commence on 4 January 2018.
- (2) We plan to commence discussion with the licensor to renew the licensee prior to the expiry.
- (3) The licensor of the car park has given a notice of termination of the licensing arrangement pursuant to the relevant agreement. The last day of the licensing arrangement will be on 31 December 2017.
- (4) We manage the after office hours of the fee paying car park.
- (5) The licence period of the car park will commence on 1 January 2018.

As for our security services, we are one of the nine companies out of 247 security agencies in Singapore which have achieved Grade A in the Security Agency Grading Award for five consecutive years or more by the Singapore Police Licencing and Regulatory Department. We offer ground security service, technological security surveillance service, central monitoring and reporting services, integrated security solution, property compliance and audit services, and other related services. To overcome high manpower costs and competition, we provide integrated security service by offering our customers a packaged deal incorporating ground security personnel complimented with technological security surveillance services by our 24-hour security control room. We also conduct regular random audits for property safety, security and tenancy compliance for our properties. We believe this will provide us with the best security and safety on our properties, and will also assist us in complying with the relevant laws and regulations.

All of our security staff have completed the mandatory training and registered with the Singapore Police Force as a security officer. See also “Business — Employees — Employee Training and Development” for details. As at the Latest Practicable Date, we are providing security service to 41 properties in Singapore, of which, 22 properties are the space optimised properties leased or owned by us, and 19 properties are our customers’ properties or joint venture properties.

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Our services to be provided to our customers depend on the scope of services they need. Hence the amount of fees we charge will be based on the work and scope to be provided.

III. LOGISTICS SERVICES BUSINESS

For our logistics services business, we provide transportation service to our customers in Singapore, and container depot management service and container depot service to our customers in Singapore and Laem Chabang, Thailand.

During the Track Record Period and up to the Latest Practicable Date, we have not operated any ISO tank depot nor provided any ISO tank storage services to our customers. However, as part of our expansion plan, we plan to acquire a property in Singapore to set up an ISO tank depot for storage of empty ISO tanks and ISO tanks filled with oil, oil-related products and chemicals, and offer ISO tank storage services to our customers. On 3 October 2017, we have signed a letter of intent setting out our proposed terms and conditions for the acquisition of a property when we intend to use for such expansion. On 29 November 2017, we received a binding offer of an option to purchase the property from the vendor. The acquisition is subject to, among others, the approval from JTC. A deposit of S\$230,000 has also been paid to the vendor, which is refundable if JTC's approval is not obtained.

We have also signed a letter of intent with a potential joint venture partner in relation to setting up a new joint venture to set up, manage and operate a new container depot in Singapore. On 4 December 2017, HLA Logistics, an associate company of our Company, incorporated for this collaboration, which, as of the Latest Practicable Date, has not commenced any business operations. Please see “— Our Business Strategies — continue to expand our current business operations in Singapore, Indonesia, Thailand, Myanmar and Hong Kong. — Logistics Services Business” for details.

In terms of transportation service, we transport ISO tanks and containers between ports, bulk liquid loading terminals and our customers' designated destinations in Singapore, and we primarily transport for oil majors, overseas ISO tank operators, freight forwarders and chemical traders using road tankers and ISO tanks. ISO tanks being transported by us are typically filled with oil, oil-related products and chemicals. We have 43 prime movers, 15 road tankers and more than 120 trailers as at 30 June 2017 servicing our customers. We believe we are able to attract and retain oil

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major as our customers by demonstrating our ability to provide efficient transportation services by having effective time planning and task management. We set out below a summary of the properties licenced to us to operate as transit yard under our logistics business as at the Latest Practicable Date:

<u>No.</u>	<u>Lessee</u>	<u>Existing usage</u>	<u>Approximate GFA (sq.ft.)</u>	<u>Expiry date (year)</u>	<u>Renewal term</u>	<u>Address</u>
1.	HN Logistics	Logistics Services (transit yard, parking of heavy vehicle and equipment)	100,000	2018	N/A	30 Penjuru Lane, Singapore
2.	HN Logistics	Logistics Services (transit yard)	12,000	Perpetual (with one month notice period)	N/A	31 Gul Circle, Singapore

Please also see “— Properties — Leased Properties” in this section for details of a property leased by us to operate as container yard.

As for our container depot business, we offer a wide range of services, from container storage, container surveying, container cleaning, and container repair and maintenance services. We principally service major shipping lines and container leasing companies. In Singapore, we provide container depot management services to a container depot operator under a management agreement and receive management fees from the operator. At the same time, we provide container depot services to the end-customers of the container depot on behalf of the operator and receive a percentage as our service fees. For the container depot in Thailand, we operate the container depot by ourselves and offer our services to our customers. Despite the slight difference in these arrangement, the scope of services that we provide and the manner which we manage our business are generally consistent. On 27 September 2017, we have signed a lease agreement in Thailand for a property to operate our second container depot in the vicinity of Bangkok, Thailand and the lease term is yet to commence as at the Latest Practicable Date.

For transportation services, we charge our customers trucking services fees based on the distance travelled, tank handling fees, permit declaration fees and custom scanning charges. For container depot business, we charge our customers container storage fees based on the duration of storage, handling charges per lift, labour charges, trucking services fees, repair and maintenance fees and surveying charges.

Our services to be provided to our customers depend on the scope of services they need. Hence, the amount of fees we charge will be based on the work and scope to be provided.

OUR BUSINESS PROCESSES

As we have three business segments, namely, the space optimisation business, the facilities management business, and the logistics management business, each of the business processes of these segments are different from one another. We set out below the business processes of each of these segments.

A. Space Optimisation Business

The space optimisation business is our principal business and the revenue generated represented 77.8%, 74.7%, 73.2%, and 64.3% of our total revenue for the years ended 30 September 2014, 2015, 2016, and the nine months ended 30 June 2017, respectively.

We set out below an illustration of our business process for our space optimisation business for our leased or owned properties:



1. Identify/Source for New Property

In order to search for new potential properties for our space optimisation business, we have to be equipped with the latest market information. Our leasing department possesses crucial user-lead information through their day-to-day dealings with potential tenants and landlords. Our marketing department will also perform market study and analysis for the latest trends and developments.

Our space procurement department will scout for potential properties through property agents and from private owners in Singapore and other jurisdictions. Once a potential property is identified, we will conduct a background search on the landlord. Our space procurement department will also look for open tender bids for the leasing properties from Singapore government authorities. For properties available for lease from Singapore government authorities, such properties are usually listed in the Singapore Land Authority’s State Property Information Online Portal. As we adopt an asset-light business model, we generally lease more than we own properties for our business. We may acquire a property if the potential upside such as increase of GFA, NLA and capital gains of the property will provide substantial returns in the future. As at the Latest Practicable Date, we owned four investment properties for our space optimisation business, compared to 29 that we leased.

2. *Feasibility Study*

Once we have identified a potential property, we will carry out a feasibility study, which will include an estimation of total costs of the project through a combination of multiple indicative quotations for works that we have no prior experience in or will involve significant costs, and through internal estimates and assessments based on experiences for similar works which will involve lesser costs. We will also take into account other factors, such as (i) market conditions of the industry and expected rental yield; (ii) tenant profile and projected occupancy rate; (iii) lease term of the property; (iv) location of the property, including accessibility, surrounding environment and neighbourhood; (v) usage and physical condition of the property such as the building and facilities specifications; (vi) compiling due diligence findings on the property; (vii) scope and timeline of the renovation and/or refurbishment works; and (viii) estimated budget for the renovation and/or refurbishment works.

Once the space optimisation department has completed the feasibility study of a property, they will present the proposal to our executive Directors and senior management for their consideration if the potential of the property is promising. If our executive Directors and senior management consider appropriate to acquire or obtain master lease of the property, they will proceed to seek approval from, for any property acquisition or master lease with aggregated rent throughout its term of S\$10 million or above, the board of Directors or for master lease with aggregated rent throughout its term of less than S\$10 million, our executive Directors, Mr. Kelvin Lim and Ms. Jess Lim, and our senior management, Mr. Danny Wong and Ms. Yeo Swee Cheng.

3. *Lease and Acquisition Negotiations/Tenders*

For properties which our board of Directors and senior management have approved the feasibility study, we will then commence lease negotiation with the potential landlord, or acquisition negotiation with the owner of the property, or to submit a tender to Singapore government authorities.

Lease Negotiations

Once a property has been identified, we generally commence discussions with the potential landlord. We will then commence inspection of the property and to prepare the space optimisation proposal for the potential landlord's consideration, which will generally take two to three weeks. Once the proposal is accepted by the potential landlord, it will generally take another two to three weeks to conclude the negotiation and to execute the master lease. We will seek longer lease term with our landlords as it takes between six months and nine months to complete the space optimisation work on a property and to commence leasing to our tenants.

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Acquisition Negotiations

We may also at times acquire the property directly if the property is available for sale and that the potential return is expected to be satisfactory enough in order to maximise the returns to our Shareholders. We take into consideration factors such as the location of the property, the potential upside on the property investment, possibility of increasing the GFA, NLA and the valuation of the property at the time as compared to the offer price. The conclusion of the acquisition negotiation process is similar to that of lease negotiation. We will directly enter into negotiation with the owner regarding the acquisition, and the time required to complete the negotiation varies depending on the due diligence required and whether we will be only acquiring the property or acquiring the holding company together with the business.

For example, in November 2012, we acquired Singapore Handicraft as we considered the offer price at the time was lower than the then market price, the building is located at CBD fringe near MRT station and close to other furniture business operators, and saw the opportunity to increase the GFA of the building by maximising the plot ratio. After the acquisition, we have transformed the building which now houses our PickJunction spaces. We also evolved the business of Singapore Handicraft from a furniture manufacturer to a furniture trader which has been integrated into our PickJunction e-commerce platform. As at the Latest Practicable Date, we are no longer in furniture manufacturing.

Similarly, we recently acquired 50% interest in Four Star in October 2016 with our joint venture partner primarily for the property that Four Star held. The acquisition price was well below the market price of the property.

Tenders

When we consider whether to submit tender application for a property, different considerations will be taken into account for re-tender and new tender applications. For new tender of properties, after we have identified suitable properties from open tenders, we will first prepare a financial projection to estimate the profitability of such property. We generally will consider properties that could offer a gross profit margin of 20% or more. If there are existing tenants at the property, the existing rent will also be considered in evaluating profitability. We also prefer properties that could complement our existing properties portfolio and match our expected demand and preference of the market. In particular, we give preference to properties with mixed usage of office space, and leisure and enrichment purposes as we believe this type of property is more in line with the customer requirements under the latest market trend. Location of the property is also a major consideration as we believe properties that are easily accessible and near major transportation nodes are more attractive to potential tenants. After we decide to submit a tender, we will prepare the relevant supporting documents, including our track record, financial standing, and project proposals and plans. In preparing the project proposals and plans, we will also conduct research on the current physical conditions, and historical usage, occupancy and financial performance of the property for us to derive the best way to optimise the property.

For re-tender of existing leased properties, we will first evaluate whether our existing tenants intend to renew their tenancy in the event that the re-tender is successful and the relevant master lease is renewed. If at least 70% of our existing tenants have expressed willingness to stay and renew their tenancy, we will normally participate in the re-tender exercise with a view to provide continuity of provision of space to our existing tenants. In determining the tender price, we aim to maintain the existing gross profit margin, taking into account the potential competition from other tenderers and the potential adjustment of rental rates to be charged to our tenants. For properties that are not as profitable when comparing to other properties managed by us, we will evaluate whether the profitability could be increased if the re-tender is successful. If we decide to submit a tender, we will prepare the relevant supporting documents similar to those we prepare of a new tender. For a re-tender with renewal option, we will consider the opportunity to revamp and upgrade the facilities of the property in order to increase both our chance of winning the tender, the occupancy rate of the property and the attractiveness of the property, which will be reflected in the project proposals and plans.

For tenders, we are typically required to submit a tender form with supporting documents, including our track record, financial standing, and project proposals and plans. If our submitted tender terms are amongst the most favourable, we may then be required to attend tender interviews to present our proposals in detail and to respond to any other queries relating to the tender. We will be notified if our tender is successful generally within one to three months after the close of the tender. We will then enter the master lease agreement with the relevant Singapore government authority within one month after the notification.

4. *Finalise and Execute*

In order to take over the property, convert the property and to offer the property for leasing, the steps involved will include space planning and budgeting, marketing and leasing the units, engaging contractors, renovating and refurbishing the property, delivering units to our tenants, and managing the property. We typically can take over the property as early as one month after conclusion of the lease, and the rent free period is usually up to about three months for our renovation and/or refurbishment works.

Space Planning and Budgeting

Once we have concluded the lease agreement or acquisition agreement, we will start to study the property in greater detail to re-design and plan the space to optimise its NLA and minimise “dead”, or unusable space, thus increasing the potential rental yield of the property.

Our project management team will work with our in-house design team, comprising architects, interior designers, and mechanical and electric engineers, to develop and refine the proposed design for the property. Our in-house design team will also undertake detailed design development. This entails the drawing up of the relevant proposals and plans according to our budgeted refurbishment costs as well as the requirements of our prospective tenants. Our teams within our projects department will draw up a detailed budget. This will involve obtaining quotes from multiple contractors and suppliers whom we may wish to engage.

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Our average cost for the renovation and refurbishment work for optimising the leased properties managed was approximately S\$2.8 per sq.ft., S\$29.0 per sq.ft. and S\$14.1 per sq.ft. for the industrial properties, commercial properties and residential properties, respectively, for a total GFA of 3.5 million sq.ft., 582,000 sq.ft. and 268,000 sq.ft., respectively, during the Track Record Period. Our average cost for the renovation and refurbishment work for optimising our owned properties was S\$62.7 per sq.ft. and S\$45.4 per sq.ft. for industrial and commercial properties, respectively, for a total GFA of 136,000 sq.ft. and 19,000 sq.ft., respectively, during the Track Record Period.

Marketing and Leasing the Units

After taking over the property, we will also begin marketing the units available for leasing out to potential tenants to garner awareness of our new property and identify interested tenants. Our marketing activities typically include conducting online marketing campaigns, dissemination of property information to targeted tenants and property agents database, distributing marketing collaterals, setting up of show unit to facilitate viewing by potential tenants and conducting property tour to educate property agents about our space. We also continuously market available units of our existing properties. Our marketing department and information technology department will seek potential clients from our database of past and existing tenants, as well as seek recommendations and referrals from our business associates and property agents.

Once a prospective tenant is identified, we will arrange viewing of the unit and negotiate the rental rate with the tenant. The rental rate is determined by reference to the size of the unit, location and facilities of the property and physical conditions of the unit, and will be finalised after negotiation with our tenants. After the terms have been agreed, we will prepare a letter of intent setting out the basic agreed terms and conditions to be signed by the tenant. Upon signing of the letter of intent, we will require the tenant to pay a booking deposit, usually being one month's rent, and we will proceed to prepare the tenancy agreement. Finally, we will arrange the tenant to execute the tenancy agreement.

In certain cases, even before the master lease has been executed, we will try to secure pre-commitment from certain potential tenants that they would rent certain units of the property from us if we manage to secure the master lease of the property.

We seek to maintain long-term relationships with tenants and an appropriate balance in our tenant mix. We believe that our tenant selection criteria and tenant relationship management have been some of the factors for retaining our core tenants and sustaining satisfactory occupancy rates and rental income base. In assessing new tenancies, we take into consideration factors including the type of trade or business conducted by the tenant, brand attractiveness, rental affordability and the effect on the tenant mix of the particular investment property as a whole.

Engaging Contractors

We typically engage the services of contractors for the execution of additions and alteration works such as partition works, tiling works, ceiling works and interior decoration. We maintain a list of pre-approved contractors and will typically invite at least three of our pre-approved contractors to submit their quotations for the various contract works based on our contract tender documents prepared by our project management division for each area of contract work. The pre-approved contractors are selected based on their track record, pricing, timely delivery, reputation and job reference, and the list will be reviewed annually. We may require our contractors to explain their pricing, methods of construction and to respond to any other queries relating to the contract quotations. There may be negotiations to finalise the price and terms of the contract before the contract is awarded by our project management team. We have stringent quality requirements for our suppliers and contractors, and will, where possible, first seek quotes from suppliers and contractors who have been shortlisted by us based on our prior working experience with them and the quality of their work. Our contractor will also assist with submissions to the relevant authorities, including submissions for approval on the change of usage of property, if necessary, and on matters relating to fire safety.

Renovating and Refurbishing the Property

Our properties generally require renovation and/or refurbishment prior to leasing out. This ensures that each property conforms to our space optimisation plans, which will enhance the aesthetic appeal and the overall value of the property. Upon obtaining the appropriate approvals from the relevant authorities, if required, we will engage our contractors to carry out the necessary renovation and/or refurbishment works.

A project manager, supported by a team of specialists including architects, interior designers and engineers from our project department will manage the execution of the refurbishment works for the property. Prior to the commencement of refurbishment works for the property, the project manager will prepare a refurbishment schedule stating the required dates of award for various contracts, as well as the procurement schedule and costs of the materials to be used in the renovation and/or refurbishment work.

The project management team for the property will also carry out daily site inspections to ensure that the works are carried out in accordance with our quality procedures and that all safety procedures are adhered to.

Delivering Units to the Tenants

Once the renovation or refurbishment work is completed, the project management team will hand over the project to our property management team, which will liaise with and hand over the relevant units to our tenants upon confirmation of these tenants by our leasing department. In the event that the renovation and refurbishment work on the property is completed in phases, the handover will also be done in phases. The property management team will prepare the units and the relevant documentation, including the tenancy agreements, for the hand over.

BUSINESS

Once the units are handed over to our tenants following the completion of the renovation and refurbishment works on the property, our property management team will continue to liaise with our tenants on matters relating to compliance with the terms and conditions of their tenancy agreements as well as our master lease. This involves the collection of rental and the renewal of their tenancy agreements (including the negotiation and execution of the relevant documents) at least three months before the expiry of such tenancy agreements. If the tenancy agreements are not renewed, our property management team will carry out an inspection of the units before they are returned to us and execute the relevant documents. If our tenants intend to carry out renovation works in relation to their units, our property management team will also offer co-ordination and refurbishment assistance where required.

Managing the Property

After the property has been handed over to our property management team, our property management team will begin to conduct weekly site inspections, the implementation of site expenditure controls, the monitoring of the profit and loss of each property and the provision of prompt and reliable assistance in response to the enquiries, feedback and issues of our tenants in relation to each property. Furthermore, services such as building maintenance, security and cleaning will be carried out according to schedules drawn up by the property management team for each property, or on an ad-hoc basis as requested by our tenants.

Around six months before expiry of the master lease, we will consider renewal of the master lease. First, we will conduct study on the current market rates and demand and survey renewal intentions of our existing tenants. If we consider renewal of the master lease would be beneficial to our business, we will commence renewal negotiation with the landlord, or where the master lease contains a renewal option, exercise the renewal option in accordance with the terms of the master lease. As the term of tenancy agreement with our tenants will not go beyond the expiry date of the corresponding master lease of the property, we will also need to negotiate and enter into new tenancy agreement with our tenants, or to negotiate the terms for the renewed term where our tenants exercise their renewal options, which are subject to our successful renewal of the underlying master lease. In negotiating the rental rates with our tenants, we will take into account the rental cost to be paid by us to the landlord under the master lease. If our rental cost has been increased after the renewal of master lease, we will also pass on the increase to our tenants by adjusting the rental rates to be charged to our tenants in the new or renewed tenancy agreement proportionally. However, in some occasions, we considered renewal is not beneficial to our business or the landlord decided not to renew the master lease with us due to alternative redevelopment plan or change in land use. In such cases, we will inform our tenants that their tenancy agreements will not be renewed and we will try to secure new replacement lease in the market to maintain our rental income level. During the Track Record Period, we did not renew master leases of five properties due to change in land use and implementation of redevelopment plan by the relevant government authority. After the Track Record Period and up to the Latest Practical Date, we also did not to renew a master lease of an industrial property in the west zone of Singapore expired in 2017 due to non-renewal of lease with the only tenant who has recently acquired its own warehouse.

Asset management services

The business process of our asset management services is similar to that of the properties owned by us or managed under master leases, except that we carry out most of the processes on behalf of or for the benefits of the property owner in return for an asset management fee. Also, under asset management services, we will consider properties with smaller GFA that we normally would not consider to acquire or obtain master lease.

Our asset management services target property owners who own buildings which are unoccupied or with low occupancy rate and do not have the expertise to manage and improve the property. As we have built up our reputation as a space optimisation company, our targeted property owners usually will approach us to seek for advices proactively. We will prepare a proposal of how to optimise and therefore improve the profit-generating ability of the property based on the market demand, neighbourhood, location, and physical condition of the property. After the proposal is approved by the property owner, we will assist to engage contractors to carry our relevant fitting out works in accordance with the space optimisation proposal and monitor the renovation progress. The cost of fitting out works will generally be borne by the property owner. After renovation is completed, we will then market the property at the property owner cost and arrange tenancy agreements to be entered into between the tenants and the property owner. We will also continue to assist the property owner to handle the day-to-day management of the property, including operations management of the property, renewal of tenancy agreement, collection of rentals etc.

Illustration of Space Optimised Properties

We set out below illustrations of our space optimisation work for our properties. The NLA after the space optimisation work stated below represents the total NLA immediately after completion of such work and without elimination of the area we subsequently used.

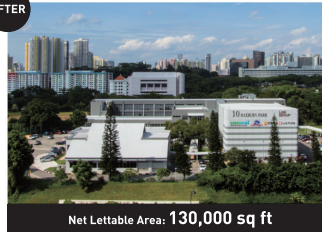
COMMERCIAL

10 RAEBURN PARK
(before and after renovation)



Usage:
School

AFTER



Usage:
Office/ancillary café/commercial school
office cum club house

COMMERCIAL

WESTWAY
(before and after renovation)



Usage:
F&B, ancillary office

AFTER



Usage:
F&B, ancillary office/retail

INDUSTRIAL

2 500N WING RAOD
(before and after renovation)



Usage:
B1 zone light industrial space

AFTER



Usage:
B1 zone clean and ligh industry,
warehouse and ancillary office

INDUSTRIAL

100 Eunos Avenue 7
(before and after renovation)



Usage:
Light industry (single-user) namely, for
sales and marketing of events, events
management, design and build for
shopping mall decorations/festivals
set-up, street light-up, digital printing
for retail shops only

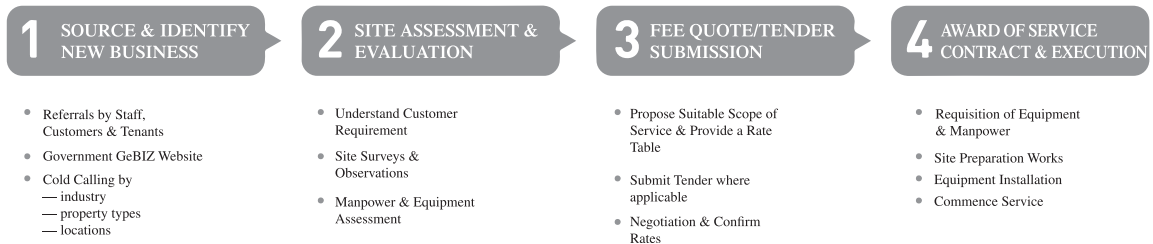
AFTER



Usage:
Self-storage and ancillary office

B. Facilities Management Business

The facilities management business is our smallest business segment in terms of revenue. The revenue generated from this segment represented 9.3%, 10.1%, 11.9%, and 15.7% of our total revenue for the years ended 30 September 2014, 2015, 2016, and the nine months ended 30 June 2017, respectively.



1. Source & Identify New Business

Our facilities management services cover both the public sector and the private sector. In relation to the private sector, we mainly rely on referrals by our staff, existing customers and tenants under the space optimisation business to identify and approach new potential customers. As we also provide facilities management services to the properties managed under our space optimisation business, we seize the opportunity to demonstrate our quality facilities management services to our tenants. When they themselves or their friends are in need for facilities management services, our Group may become one of the providers that they consider to engage. Apart from referrals, our marketing team also conducts regular cold calling with screening of potential customers according to their industry, property type and location.

On the public sector side, our marketing team continuously monitors the postings on the Singapore Government GeBIZ website. In reviewing the postings, the team will identify profitable and suitable projects by evaluating various features of the projects, including the scale, nature of service, location and duration.

2. Site Assessment and Evaluation

Once a potential customer has been identified, we will try to understand more about the customer's needs and requirements by conducting research on the background of the customer, looking at the project descriptions and conducting site visits and surveys. Site visits and surveys are particularly important as it provides an opportunity for us to have a first-hand observation and assessment of the site. The information gathered during the site visits would be critical for us to produce a pragmatic plan of implementing services that are suitable for the property. By knowing more about both the customer and the site, we can also have a more realistic assessment on the necessary manpower and equipment for performing the services.

3. *Fee Quote/Tender Submission*

After evaluating the site, we will prepare a proposal for the customer in form of a fee quote or tender. The proposal will typically include our proposed scope of services that is suitable for the property based on our site assessment and evaluation, and the relevant fees table. If the customer is interested in engaging us, we may enter into negotiation with the customer to further refine the scope of services and fees. During the negotiation process, we will continuously monitor and re-evaluate the feasibility and profitability of the project.

4. *Award of Service Contract and Execution*

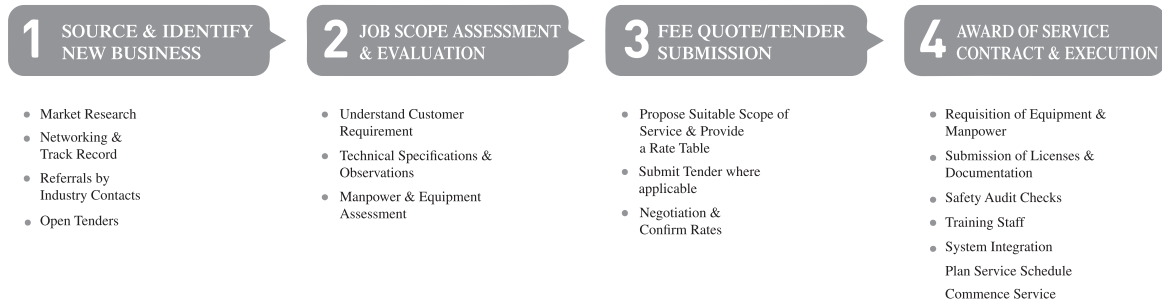
After the terms and scope of services are confirmed, we will arrange relevant documents to be signed and commence preparatory works for performing the services. Preparatory works typically include requisition of equipment and manpower, site preparation works and equipment installation. If we have insufficient manpower to undertake the new project, we will need to commence a hiring process to look for suitable candidates. In particular, all of our security staff are registered security officer in Singapore, and are primarily Singaporeans with a smaller percentage being Malaysians. Equipment installation and site preparation works such as installation of surveillance system and deployment of cleaning tools will also be conducted to ensure the services can commence smoothly as expected. After all preparatory works have been completed, services will eventually be performed in accordance with the agreement.

Pricing

Our fees for building maintenance, security services, cleaning and landscaping of our facilities management services are determined based on a cost-plus basis and taking into account of the prevailing market rates and competitive conditions of the relevant service. As for the car parking fees, for car parks which are owned by private entities, the car park rates are set by us, and for car parks which are owned by governmental bodies, the car park rates are fixed and regulated by the relevant government body.

C. Logistics Services Business

Revenue generated by our logistics services business represented 12.9%, 15.2%, 14.9%, and 20.0% of our total revenue for the years ended 30 September 2014, 2015, 2016, and the nine months ended 30 June 2017, respectively.



1. Source & Identify New Business

As our strategy in developing our logistics services business is to focus on the niche segments of the logistics industry, our marketing department has been performing regular market study and analysis to understand the latest trends and development of the industry and identify other niche segments with growth potential.

Within our existing market segments, we also consistently solicit new customers to expand our market share. Some of the new customers are referred to us by existing customers who are satisfied with our service quality and fees. Apart from passive referral, we actively look for networking opportunities to present our reliable track record to potential customers who may consider a new service provider. We also continuously look for open tenders from the Singapore government authorities which match our service scope and business scale.

2. Job Scope Assessment and Evaluation

Once we have identified a new potential business, we will conduct an assessment on the job scope and evaluate whether we should submit a proposal to the potential customer. To begin with, we will look at the background of the customer, technical specifications of the job and other descriptions stated by the customers to understand the needs and requirements of the customer. After understanding the needs and requirements of the customer, we will then match the needs and requirements with services that we are able to provide. We will also assess whether we have sufficient manpower and suitable equipment available during the relevant period to perform the job.

3. Fee Quote/Tender Submission

After it has been confirmed that the job scope is within our capability and we have sufficient capacity to perform the job, we will prepare a proposal for the customer in form of a fee quote or tender. The proposal will typically include the scope of services and a relevant fees table. If the

customer is interested in engaging us, we may then enter into negotiation with the customer to further refine the scope of services and fees. During the negotiation process, we will continuously monitor and re-evaluate the feasibility and profitability of the project.

4. *Award of Service Contract and Execution*

Once we and the customer have agreed on the terms and scope of services, we will arrange the relevant documents to be signed and commence preparatory works for performing the services. Preparatory works mainly consist of requisition of manpower and equipment, submission of licence and documentation, conducting safety audit checks, staff briefing and training, system integration and scheduling of service. After all preparatory works have been completed, we will perform the services in accordance with the agreement and schedule.

Safety Measures

We handle and transport hazardous materials in Singapore on a daily basis, including chemicals and chemical compounds. We have implemented safety measures, which include setting up of in-vehicle safety installations, such as fire extinguishers, fire shield, spill kits and first aid box, conducting random breathalyser test on our drivers, having our own emergency response vehicle to standby in case of accident or breakdowns, providing driver regular training on safety issues, conducting regular vehicle and equipment inspections and implementing the depot safety and emergency guide.

Pricing

Our charges for transportation and storage of containers, as well as charges for cargo-handling, services and repair, such charges are generally in-line with the prevailing market rates.

OUR TENANTS AND OUR CUSTOMERS

Our customers mainly comprises our tenants, which comprises of a wide spectrum from multi-national corporations, SMEs, start-ups, as well as individuals, and customers of our logistics business including oil majors, major shipping lines, container leasing companies and container depot operator. As for customers of our facilities management business, they include management corporations of residential estates, shopping centre, industrial building owners, schools, factories, companies and individual. During the Track Record Period, our top five customers include corporations and schools who are our tenants, and container leasing companies who are customers in our logistics services segment. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, revenue generated from our top five customers amounted to S\$11.3 million, S\$10.7 million, S\$11.8 million and S\$8.8 million, respectively, representing 12.5%, 11.1%, 11.2% and 11.1% of our revenue for the same periods, respectively. Revenue generated from our largest customer amounted to S\$3.4 million, S\$3.8 million, S\$4.7 million and S\$2.2 million, respectively, representing 3.8%, 3.9%, 4.5% and 2.8% of our revenue for the same periods, respectively. Based on the best information, knowledge and belief of our Directors, after making due enquiry, none of our Directors or their close associates or Shareholders who owned more than

BUSINESS

5% of our issued share capital had any interest in any of our five largest customers during the Track Record Period, and the five largest customers during the Track Record Period are Independent Third Parties.

We set out in the table below certain key information of our top five customers during the Track Record Period:

For the year ended 30 September 2014

Ranking	Customer	Background and business activities	Years of business relationship as at the Latest Practicable Date (approx)	Credit terms	Payment method	Revenue for the year	
						S\$'000	%
1	A	A private company whose major business activities include provision of land transportation of containers and general cargos and general warehousing services.	7	1st day of the month	General Interbank Recurring Order	3,409	3.8
2	B	A private company whose major business activities include general warehousing services and freight forwarding, packing and crating services.	8	1st day of the month	General Interbank Recurring Order	2,746	3.0
3	C	A private company whose major business activity involves international and foreign system schools (secondary and post-secondary non-tertiary).	8	1st day of the month	General Interbank Recurring Order	2,002	2.2
4	D	A private company whose major business activity involves general wholesale trade.	4	1st day of the month	General Interbank Recurring Order	1,716	1.9
5	E	A private company whose major business activities include foundation works and building construction.	7	1st day of the month	Cheque	1,428	1.6
Subtotal:						<u>11,301</u>	<u>12.5</u>

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For the year ended 30 September 2015

Ranking	Customer	Background and business activities	Years of business relationship as at the Latest Practicable Date	Credit terms	Payment method	Revenue for the year	
			(approx)			S\$'000	%
1	B	A private company whose major business activities include general warehousing services and freight forwarding, packing and crating services.	8	1st day of the month	General Interbank Recurring Order	3,773	3.9
2	D	A private company whose major business activity involves general wholesale trade.	4	1st day of the month	General Interbank Recurring Order	2,088	2.2
3	C	A private company whose major business activity involves international and foreign system schools (secondary and post-secondary non-tertiary).	8	1st day of the month	General Interbank Recurring Order	2,051	2.1
4	F	A private company whose major business activities include shipping agencies services and freight forwarding, packing and crating services.	6	30 days	Cheque	1,405	1.5
5	G	A private company whose major business activities include repair and storage of shipping containers and freight land transport services.	3	1st day of the month	General Interbank Recurring Order	1,394	1.4
Subtotal:						<u><u>10,711</u></u>	<u><u>11.1</u></u>

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For the year ended 30 September 2016

Ranking	Customer	Background and business activities	Years of business relationship as at the Latest Practicable Date	Credit terms	Payment method	Revenue for the year	
			(approx)			S\$'000	%
1	B	A private company whose major business activities include general warehousing services and freight forwarding, packing and crating services.	8	1st day of the month	General Interbank Recurring Order	4,690	4.5
2	D	A private company whose major business activity involves general wholesale trade.	4	1st day of the month	General Interbank Recurring Order	2,094	2.0
3	C	A private company whose major business activity involves international and foreign system schools (secondary and post-secondary non-tertiary).	8	1st day of the month	General Interbank Recurring Order	2,051	2.0
4	F	A private company whose major business activities include shipping agencies services and freight forwarding, packing and crating services.	6	30 days	Cheque	1,562	1.5
5	H	A private company whose major business activity involves childcare centre, kindergarten and commercial school.	3	1st day of the month	General Interbank Recurring Order	1,362	1.3
Subtotal:						<u>11,759</u>	<u>11.2</u>

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For the nine months ended 30 June 2017

Ranking	Customer	Background and business activities	Years of business relationship	Credit terms	Payment method	Revenue for the period	
			as at the Latest Practicable Date (approx)			S\$'000	%
1	B	A private company whose major business activities include general warehousing services and freight forwarding, packing and crating services.	8	1st day of the month	General Interbank Recurring Order	2,239	2.8
2	I	A private company whose major business activity involves provision of container management, acquisition and disposal services.	4	one to six months	Remittance	1,743	2.2
3	D	A private company whose major business activity involves general wholesale trade.	4	1st day of the month	General Interbank Recurring Order	1,665	2.1
4	F	A private company whose major business activities include shipping agencies services and freight forwarding, packing and crating services.	6	30 days	Cheque	1,634	2.1
5	C	A private company whose major business activity involves international and foreign system schools (secondary and post-secondary non-tertiary).	8	1st day of the month	General Interbank Recurring Order	1,537	1.9
Subtotal:						<u>8,819</u>	<u>11.1</u>

Credit Terms and Payment Method

Under most of the tenancy agreements, our tenants are required to pay the monthly rental of on the first day of every month in advance. A majority of our tenants have arranged General Interbank Recurring Order (GIRO) arrangement, under which their rental payment will be deducted from their bank account automatically, usually on the 1st or 7th day of every month, and be credited to our designated bank account. For other customers (other than tenants under our space optimisation business), credit term of up to 60 days is typically granted. The credit terms granted to

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these customers may also be affected by our past experience with them and their payment track records. We invoice our tenants in advance, on a monthly basis and typically invoice our other customers after service has been rendered. For property leasing, we have tenancy agreements that typically require tenants to pay a minimum rental deposit of two to three months. During the Track Record Period, most of our accounts receivable due from our tenants and customers are denominated in Singapore dollars, and were settled by way of bank transfers and cheques.

Contracting with Our Tenants and Customers

Space Optimisation Business

We enter into written agreements with all of our tenants and customers under our space optimisation business. The term of agreement can be as short as one month for tenants for GreenHub customers, and can be as long as three years for other commercial, industrial and residential properties. The term of tenancy agreement with our tenants may not start at the same time as the master lease as we may require certain time to renovate the units, market our units to potential tenants, and gradually build up the occupancy rate. The expiry date of tenancy for our different tenants may also vary and is determined after negotiation with the each individual tenant, taking into account their respective business plan and needs. However, the lease term of our tenants will not be beyond the expiry date of the corresponding master lease of the property. Also, if any renewal option is given to our tenants, such renewal option will be subject to the renewal of the corresponding master lease.

We set out below a summary of the salient terms of a typical tenancy agreement entered into between us and our tenants:

Term:	Generally ranging from three months to three years. There are exceptional cases where the lease term is longer than three years. However, the term will not be beyond the expiry date of the corresponding master lease.
Rent:	Fixed monthly rent.
Payment term and method:	To be paid on the first day of every month by general interbank recurring order arrangement.
Deposit:	Equivalent to two to three months' rent. We are entitled to forfeit the deposit in the event of default or breach of the tenancy agreement on the part of the tenant.
Permitted Use:	The tenancy agreement sets out the permitted use of the premises based on the nature of the property and usages approved by the relevant government authority, for instance, URA and SLA in Singapore.

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- Utilities: The tenant shall pay for the connection and supply of electricity, water, gas and telecommunications.
- Alteration works: The tenant shall not make any alternations or additions to the structure or exterior of the premises without prior approval from us.
- Insurance: The tenant shall at its own costs and expenses take out and keep in force insurance policies with a reputable insurance company approved by us and on terms and conditions approved by us in relation to the tenant's properties in the premises, risks and damage to the premises and public liability.
- Maintenance and repair: The tenant shall at its own costs and expenses to, among others, keep the interior of the premises in good and tenantable repair and condition, make good and sufficient provision for the safe and efficient disposal of all waste generated at the premises, take all reasonable precautions to keep the premises free of rodents and insect and other pests, install or operate noise control equipment within the premises if the machines that the tenant is operating emit excessive noise and comply with all regulatory requirements and make all necessary submissions.
- Assignment and subletting: The tenant is not allowed to assign, sublet, or otherwise divest, part with, dispose of or deal with the premises in whole or in part.
- Yielding up: At the end of the term of the tenancy, the tenant shall at its own costs and expenses to vacate and return the premises to us with the fixtures and fittings in good and tenantable condition (fair wear and tear excepted) as at the commencement of the tenancy or to the reasonable satisfaction of us.
- Personal guarantee: The tenant shall procure each and every of its directors or each and every of its partners or its sole proprietor (as the case maybe) to execute and deliver to us a personal guarantee to guarantee the due performance and discharge by the tenant of all its obligations and liabilities under the tenancy agreement.

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Termination: In the event that the master lease of the property is terminated by the landlord before its expiry, we shall within a reasonable period give written notice thereof to the tenants, and on the earlier of the expiry date of such notice or the landlord's re-entry to the premises, the tenancy agreement shall be terminated without the landlord or us being liable for any inconvenience, loss, damage, cost, expense or compensation in connection with the termination of the tenancy agreement.

In the event that the tenant purports to terminate the tenancy agreement for any reason prior to expiry:

- (i) we shall be entitled to receive from the tenant forthwith in one lump sum the amount equivalent to the aggregate rent for the whole term less any rent actually received by us;
- (ii) the tenant shall refund to us the commission paid by us to the real estate broker for the unexpired term on a pro-rated basis; and
- (iii) the tenant shall at the time of the purported termination pay us any other fees that we may incur due to such breach of tenancy agreement by the tenant;

provided that there is no obligation on us to accept the tenant's purported termination of the tenancy agreement.

We set out below a summary of the salient terms of a typical warehousing service agreement entered into between us and our customers:

Term: Generally ranging from three months to three years. However, the term will not be beyond the expiry date of the corresponding master lease.

Service fee: Fixed monthly service fee.

Payment term and method: To be paid on the first day of every month by general interbank recurring order arrangement.

Deposit: The customers shall deposit a sum equivalent to two to three months' service fee as security for due observance and performance by the user of the terms and conditions of the warehousing service agreement.

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Permitted Use:	Storage. The warehousing service agreement also sets out the permitted types of stored goods depending on the nature of the property and usages approved by the relevant government authority.
Utilities:	The customer shall pay for all charges for electricity, water, telecommunications or other utilities and services supplied to or used at the premises.
Alteration works:	The customer shall not make any alternations or additions to the structure or exterior of the premises.
Insurance:	The customer shall at its own costs and expenses take out and keep in force insurance policies in relation to damage to the premises and its properties and assets in the premises and public liability.
Yielding up:	At the end of the term of the warehouse service agreement, the customer shall at its own costs and expenses to restore the premises to its original state and condition as at the commencement of the agreement.
Termination:	<p>In the event that the master lease of the property is terminated by the landlord before its expiry, we shall within a reasonable period give written notice thereof to the user, whereby the warehouse service agreement shall be terminated on the expiry date stated in such notice without the landlord or us being liable for any inconvenience, loss, damage, cost, expense or compensation in connection with the termination of the warehousing service agreement.</p> <p>In the event that the government authority or any competent authority cease the use of the premises by the customer, and notice has been served on either us or the customer, then either party may give notice to terminate the warehousing service agreement, in which event the period for the notice to quit shall be such period as stated in the notice as served by the government authority or the competent authority.</p>

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In the event that the customer purports to terminate the warehousing service agreement for any reason prior to expiry:

- (i) we shall be entitled to receive from the customer forthwith in one lump sum the amount equivalent to the aggregate service fee for the whole term less any service fee actually received by us, plus service fee payable by the customer during the rent free period (should there be any);
- (ii) the customer shall refund to us the commission paid by us to the real estate agent for the unexpired term on a pro-rated basis; and
- (iii) the customer shall at the time of the purported termination pay us any other fees that we may incur due to such breach of the warehouse service agreement by the customer;

provided that there is no obligation on us to accept the customer's purported termination of the warehouse service agreement.

We set out below a summary of the salient terms of a typical asset management agreement or arrangement entered into between us and our tenants:

Term:	Ranging from 5 years to dissolution of the joint venture company
Scope of services:	The services to be provided by us to the landlord included tenancy management, budget preparation, general property management and maintenance, insurance management and compliance.
Costs and expenses:	All costs and expenses incurred in maintaining and operating the property shall be borne by the landlord.
Service fee:	A fixed rate ranging from 10% to 15% of the aggregate monthly total rent chargeable to the tenants of the properties.
Commission upon sale of property:	If the landlord sells the property to a buyer introduced by us, upon successful completion of the transaction, the landlord shall pay a commission of 1% of the transacted sum to us.
Termination:	For properties owned by our joint ventures, the arrangement shall terminate upon the dissolution of the joint venture.

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For properties owned by third parties, the landlord may terminate the agreement in the event of sale of the property or any interest therein or any transfer of all or substantially all equity interests in the landlord with a thirty days' written notice.

Facilities Management Business

Under the facilities management business, we do not enter into written agreements with customers using our car park services as our customers are retail customers and walk-in customers. Standard terms and conditions are displayed in a conspicuous position near the entrance of our car parks.

For customers engaging our cleaning, security and other related services, we will usually enter into a written service agreement setting out the scope and details of services to be provided to our customers, and the general terms and conditions of services. During the Track Record Period, we charged our customers a monthly rate ranging from S\$3,400 to S\$6,400 for deployment of each personnel providing security services, depending on the experience and seniority of such personnel, and a monthly rate ranging from S\$2,600 to S\$2,900 for deployment of each cleaner providing cleaning services. We set out below a summary of the salient terms of a typical facilities management services agreement entered into between us and our customers for our cleaning, security and other related services:

Scope of services:	The agreement sets out the services selected by the customers, for instance, general property cleaning, refuse disposal, landscaping, CCTV installation and maintenance and deployment of security guards.
Term:	A fixed term ranging from one year to five years.
Service fee:	The agreement sets out fixed rate for a specific period of time for each type of service to be provided by us.
Payment term:	The customer shall pay us monthly service fee by cheque within the specified payment term, generally ranging from seven to 30 days of the date of invoice.
Termination:	Either party may terminate the agreement by giving no less than one to three months' notice to the other party.

If security system has been installed at the customer's premises, we will be entitled to a lump sum payment calculated based on the duration of the unexpired term, and the security system installed at the customer's premises will be passed to the customer.

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Logistics Services Business

Under our logistics services business, we usually do not enter into written agreement with customers engaging our transportation services. We provide a written quotation to them for each individual project or engagement setting out details and scope of services, fee rate, and attached with our standard terms and conditions. For customers engaging our container depot services, we usually will enter into a framework agreement with the customers. We set out below a summary of the salient terms of a typical container depot services agreement entered into between us and our customers:

Container depot services agreement

Scope of services:	Handling, inspection, repairing and storing containers and other equipment.
Term and termination:	Initial term of 12 months, and shall be automatically renewed for successive 12 month periods unless either party gives a written notice at least 30 days prior to the automatic renewal electing not to renew the agreement.
Service fee:	The agreement sets out a standard fee rate for each type of service to be provided by us, for instance, daily rate for container storage, container handling fee per lift, hourly rate for container repair manpower and washing fee per container.
Payment terms:	We shall issue an invoice to the customer on the last day of every month for the services rendered. The invoice is payable within 30 days from the date of invoice. Customers shall pay as by way of telegraphic transfer or by cheque.
Lien:	We shall have a lien over all of the customer's products at the premises for all arrears and outstanding monies owed.
Assignment:	Neither party may assign its rights or obligations under the agreement to third party without prior written consent of the other party.

OUR LANDLORDS AND OUR SUPPLIERS

Our suppliers comprise primarily of our landlords for our properties, supplier of our logistics vehicles, service providers for property management, old vehicle scrapping and vehicle maintenance, and contractors providing design and construction services in Singapore. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, total purchases from our top five suppliers, who are our landlords or landlord's managing agent, amounted to S\$38.2 million, S\$39.6 million, S\$41.9 million and S\$31.1 million, respectively,

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representing 66.4%, 61.7%, 62.2% and 58.8% of our cost of sales for the same periods, respectively. Total purchases from our largest supplier amounted to S\$15.9 million, S\$16.0 million, S\$15.3 million and S\$12.6 million, respectively, representing 27.6%, 24.9%, 22.7% and 23.8% of our cost of sales for the same periods, respectively. Based on the best information, knowledge and belief of our Directors, after making due enquiry, none of our Directors or their close associates or Shareholders who owned more than 5% of our issued share capital had any interest in any of our five largest suppliers during the Track Record Period, and the five largest suppliers during the Track Record Period are Independent Third Parties.

We set out in the table below certain key information of our top five suppliers during the Track Record Period:

For the year ended 30 September 2014

Ranking	Supplier	Background and business activities	Years of business relationship as at the Latest Practicable Date (approx)	Credit terms	Payment method	Purchases for the year	
						S\$'000	%
1	A	The land authority under the Singapore government coordinating land resources for the economic and social development of Singapore.	11	1st day of the month	General Interbank Recurring Order	15,871	27.6
2	B	A private company whose major business activities include real estate developments and financial holding companies.	10	1st day of the month	General Interbank Recurring Order	8,176	14.2
3	C	A private company whose major business activities include real estate management and building construction.	11	1st day of the month	General Interbank Recurring Order	6,838	11.9
4	D	The national urban planning authority under the Singapore government.	10	25th day of each month	General Interbank Recurring Order/credit card	4,787	8.3
5	E	The public housing authority under the Singapore government.	7	1st day of the month	General Interbank Recurring Order/cheque	2,506	4.4
Sub-total:						<u>38,178</u>	<u>66.4</u>

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For the year ended 30 September 2015

<u>Ranking</u>	<u>Supplier</u>	<u>Background and business activities</u>	<u>Years of business relationship as at the Latest Practicable Date</u>	<u>Credit terms</u>	<u>Payment method</u>	<u>Purchases for the year</u>	
			<u>(approx)</u>			<u>S\$'000</u>	<u>%</u>
1	A	The land authority under the Singapore government coordinating land resources for the economic and social development of Singapore.	11	1st day of the month	General Interbank Recurring Order	15,985	24.9
2	B	A private company whose major business activities include real estate developments and financial holding companies.	10	1st day of the month	General Interbank Recurring Order	9,884	15.4
3	C	A private company whose major business activities include real estate management and building construction.	11	1st day of the month	General Interbank Recurring Order	6,126	9.6
4	D	The national urban planning authority under the Singapore government.	10	1st day of the month	Cheque/credit card	4,942	7.7
5	F	It is a trustee of a company listed on SGX-ST whose major business activities include property fund management and asset management.	4	1st day of the month	General Interbank Recurring Order	2,636	4.1
Sub-total:						<u>39,573</u>	<u>61.7</u>

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For the year ended 30 September 2016

<u>Ranking</u>	<u>Supplier</u>	<u>Background and business activities</u>	<u>Years of business relationship as at the Latest Practicable Date</u> (approx)	<u>Credit terms</u>	<u>Payment method</u>	<u>Purchases for the year</u>	
						<u>S\$'000</u>	<u>%</u>
1	A	The land authority under the Singapore government coordinating land resources for the economic and social development of Singapore.	11	1st day of the month	General Interbank Recurring Order	15,258	22.7
2	B	A private company whose major business activities include real estate developments and financial holding companies.	10	1st day of the month	General Interbank Recurring Order	8,955	13.3
3	G	A private company whose major business activities include letting and operating of self-owned real estate.	2	1st day of the month	Cheque	7,893	11.7
4	D	The national urban planning authority under the Singapore government.	10	1st day of the month	Cheque/credit card	4,957	7.4
5	C	A private company whose major business activities include real estate management and building construction.	11	1st day of the month	General Interbank Recurring Order	4,829	7.2
Sub-total:						<u><u>41,892</u></u>	<u><u>62.2</u></u>

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For the nine months ended 30 June 2017

Ranking	Supplier	Background and business activities	Years of business relationship as at the Latest Practicable Date	Credit terms	Payment method	Purchases for the period	
			(approx)			S\$'000	%
1	A	The land authority under the Singapore government coordinating land resources for the economic and social development of Singapore.	11	1st day of the month	General Interbank Recurring Order	12,566	23.8
2	B	A private company whose major business activities include real estate developments and financial holding companies.	10	1st day of the month	General Interbank Recurring Order	6,416	12.1
3	G	A private company whose major business activities include letting and operating of self-owned real estate.	2	1st day of the month	Cheque	5,654	10.7
4	D	The national urban planning authority under the Singapore government.	10	1st day of the month	Cheque/credit card	4,146	7.9
5	C	A private company whose major business activities include real estate management and building construction.	11	1st day of the month	General Interbank Recurring Order	2,285	4.3
Sub-total:						<u>31,067</u>	<u>58.8</u>

Credit Terms and Payment Method

Under most of the master leases, we are required to pay the rent to the landlord on the first day of every month in advance without credit period. Our suppliers, excluding our landlords, generally offer us a credit term of 30 days to 90 days. During the Track Record Period, most of our accounts payable due to our suppliers are denominated in Singapore dollars, and were settled by way of general interbank recurring orders, cheques, and credit cards. For our logistics vehicles, we may also settle the invoices through financing.

Contracting with Our Landlords and Suppliers***Space Optimisation Business***

As of the Latest Practicable Date, we leased 29 properties with Independent Third Parties in Singapore, Indonesia and Myanmar for sub-letting to our tenants or providing services to our customers under our space optimisation business, with an aggregate GFA of 3,655,900 sq.ft. A summary of key terms of our master lease arrangement is set out below:

Duration	Ranging from one year to 15 years, where the duration of master leases granted by the government tend to be of a shorter term, and those granted by private companies tend to be of a longer term.
Option to renew	Some agreements provide us the option to renew for a further term in a majority of our master leases, while the rent for the further term is usually to be negotiated between us and the landlord upon renewal.
Insurance	We are typically required to insure and keep insured the leased properties during the term of master leases with various coverage amounts depending on the value of the property.
Approved use	Depending on the original approved use of the property, including office, industrial, warehouse, residential etc.
Rent payment	A rent-free period ranging from one month to three months is commonly granted and rent is usually payable in advance on a monthly basis.
Security deposit	We are required to pay a security deposit to the landlord, which is typically equivalent to three months to six months rental payment.
Assignment and subletting	Assignment and subletting generally require consent of the landlord.
Termination	Master leases generally cannot be terminated by either party without mutual consent before expiry except in special circumstances, such as destruction of property, government redevelopment.

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Towards the end of the lease term of the master leases, we will either consider whether to exercise the renewal option, if any, or to negotiate the renewal of the lease if there is no renewal option. Although we may have a renewal option in our master leases, they are generally still subject to further negotiation with our landlord for the new terms and conditions for the leases. We will commence negotiations with our landlord for the renewal of the current lease term at least six months prior to the expiry of the lease. As at the Latest Practicable Date, master leases for one of our properties will expire in 2017 and is under renewal negotiation process with the landlord. See also “Business — Our Business Processes — Space Optimisation Business — 4. Finalise and Execute — Managing the Property” in this prospectus for further details of the master lease renewal process.

See also “Risk Factors — Risks Relating to Our Business” for further details. Majority of our space optimised properties are obtained through master leases. If we are unable to renew or re-tender for the master leases, our business, financials and operations may be materially affected.

Facilities Management Business

Under our facilities management business, a majority of the external car parks managed by us are under license or management arrangement. We enter into written agreement with the property owners or authorised agents to set out the terms and conditions of such arrangement. We set out below a summary of the salient terms of a typical license or management agreement entered into between us and the property owner for car parks operated by us:

Term:	A fixed term ranging from three to five years.
Renewal option:	Some agreements contain a renewal option for us for a further term of up to four years.
License fee:	A fixed monthly fee or a fixed percentage of the monthly revenue generated from the car park operations.
Payment terms:	We pay monthly payment on the first day of each month.
Termination:	Some agreements contain a termination clause that the property owner or either party may terminate by giving a one to six months’ written notice.
Tariff:	Some agreements set out the tariff that we can charge the users of the car park. The tariff cannot be revised unless with the prior written consent of the property owner.

Logistics Services Business

Under our logistics services business, our key suppliers are the property owners who provide properties to us for our logistics services operations. We enter into written agreements with the property owners to set out the terms and conditions of the arrangement. In particular, we entered into two lease agreements with property owners in Thailand to lease properties for our operations of container depots in Thailand. The salient terms of such lease agreement are primarily similar to the master leases we entered into for our space optimisation business. See “— Our Landlords and Our Suppliers — Contracting with Our Landlords and Suppliers — Space Optimisation Business” in this section for details. We have not entered into any other long term agreement with our suppliers under our logistics services business.

COMPETITION

We are a real estate management service provider and logistics service provider headquartered in Singapore with operations in Singapore, Indonesia, Thailand, Myanmar and Hong Kong. Accordingly to the Frost & Sullivan Report, the property leasing market in Singapore is fragmented and has different level of players and we have approximately 1.1% of the overall property leasing market in Singapore. The market of leasing-subleasing of properties is relatively concentrated with less than 1,000 players, as estimated, and the top five players accounted for 30.0% and we ranked the first in 2016 for leasing-subleasing market in Singapore by estimated revenue generated from lease-subleasing properties in 2016, according to the Frost & Sullivan Report. See “Industry Overview — Competitive Landscape of Space Optimisation Market in Singapore” in this prospectus for more details.

Based on our operating experience, we believe the principal competitive factors in our relevant markets include:

- ability to secure master leases;
- capability to attract tenants;
- capability to transform old buildings and premises to demandable properties;
- capital resources;
- ability to attract skilled workers; and
- industry experience.

There are certain major barriers of entry to the space optimisation market, facilities management services market and logistics services market, including industry know-how and experience, capital requirement and stakeholders relationship for space optimisation business; stakeholders relationship, industry experience and stringent regulatory requirement for facilities management business; and regulation, capital and labour barriers for the logistics services business. See “Industry Overview — Competitive Landscape of Space Optimisation Market in Singapore”,

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“— Competitive Landscape of Facilities Management Services Market in Singapore” and “— Competitive Landscape of Logistics Services Market in Singapore” in this prospectus for further details.

SALES AND MARKETING

Overview

As at the Latest Practicable Date, we have 15 personnel in the sales and marketing, including sales, marketing and business development. Our general manager, Mr. Danny Wong, oversees our sales and marketing activities with the support of our leasing and marketing department with 15 personnel in his department focusing on leasing and marketing matters for our space optimisation business.

We market our entire suite of services collectively. We actively engage in both online and offline marketing activities to increase the awareness of our portfolio of projects and wide range of services. Through this, we carry out brand-building by developing and establishing long lasting relationships with our customers through the integration of our services. Furthermore, our space optimisation business, facilities management business and logistics services business are integrated and complement each other such that we are able to provide our tenants with ad-hoc facilities management services such as general cleaning, repair and maintenance services. In this regard and as part of our marketing and business development efforts, we also actively market our services to customers across each of our business segments.

Pricing Policy

We generally set our pricing taking into consideration of factors such as our costs, the prevailing market conditions, as well as the potential customers' purchasing power. Different pricing policies will apply to different property segments due to different targeted customers and different services provided. See also “Business — Our Business Processes — Space Optimisation Business — 4. Finalise and Execute — Marketing and Leasing the Units” in this prospectus for details of pricing for our space optimisation business, “— Our Business Processes — Facilities Management Services — Pricing” for details of pricing for our facilities management services, and “— Our Business Processes — Logistics Services — Pricing” for details of pricing for our logistics services.

Marketing Strategies

Our marketing strategies include:

- *Product and brand awareness:* We will design and offer the property units and services that are in line with the preferences of our customers and needs in different geographical regions. We also consistently target to achieve business awards from different recognisable institutions to obtain media coverage and regularly publish video presentation about our latest development.

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- *Advertising and promotion activities:* We design and implement a wide range of promotional activities to reach out to potential customers' in different industries and geographical locations including traditional advertising (such as through newspaper and publications), digital marketing (such as search engine marketing and optimisation, online content marketing and advertising through social media community), outdoor marketing (such as banners and stickers) and giving out of collaterals and corporate gifts.
- *Sales channels:* We aim to expand and optimise the coverage of the potential customer segments by using different sales channels, including through our salesforce, our online portal and websites listing in major property websites, presenting in relevant trade shows, participating in property agent events and conducting fairs and events at our properties.

INTELLECTUAL PROPERTY

We use a number of brand names including “LHN Group Space Optimised”, “LHN Group Logistics”, “GreenHub”, “Work+Store”, “PickJunction”, “Industrial & Commercial Security”, “Industrial & Commercial Facilities Management” and “85SOHO” in marketing our properties and services to our tenants and customers.

As at the Latest Practicable Date, we have registered six trademarks in Singapore relating to “LHN Group Space Optimised”, “LHN Group”, “GreenHub”, “Work+Store”, “ICS Security Services” and “Industrial & Commercial Facilities Management”, two trademarks in Indonesia relating to “LHN Group” and “GreenHub”, four trademarks in Myanmar relating to “GreenHub”, LHN Parking and “85SOHO”, one trademark in Malaysia relating to “LHN Group Space Optimised” and one trademark relating to “LHN Group Space Optimised” in Hong Kong. We have also made three trademark applications relating to “LHN Parking”, “PickJunction” and “HLA” in Singapore, one trademark application relating to “LHN Group Space Optimised” in the PRC and three trademark applications relating to “HLA” in Thailand, two trademarks application relating to “LHN Group Logistics” in Malaysia; one trademark application relating to “LHN Parking” in PRC and one trademark application relating to “LHN Parking” in Hong Kong. We also own 53 domain names in total, including our corporate website domain name, GreenHub website domain name, Work+Store website domain name, PickJunction website domain name, 85SOHO website domain name, Industrial & Commercial Security website domain name, Industrial & Commercial Facilities Management website domain name, LHN Parking website domain name, container depot services website domain name, Singapore Handicrafts website domain name and Four Star website domain name. See “B. Further Information about Our Business — 2. Intellectual Property Rights of Our Group” in Appendix VI to this prospectus for details.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any intellectual property infringement claims which had any material impact on us.

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AWARDS, ACCREDITATIONS AND RECOGNITIONS

We have received certain awards and recognitions throughout the years in recognition of the quality of our operations. We set forth below some of the awards, accreditations and recognitions we have received:

<u>Year</u>	<u>Award, recognition or accreditation</u>	<u>Awarding organisation(s)</u>	<u>Awarded entity(ies)</u>
2017–2020	Singapore Quality Class, Business Excellence	SPRING Singapore	LHN Limited
2017	Singapore Prestige Brand Award 2017 — Heritage Brands	Association of Small & Medium Enterprises and Lianhe Zaobao	LHN Group
2017	Listed Companies Awards	Singapore Business Review	LHN Limited
2017	Singapore Corporate Governance Award 2017	Securities Investors Association (Singapore)	LHN Limited
2016–2018	ISO 9001:2008 (Quality management system certificate for leasing of space)	Certification International Pte Ltd (Singapore)	LHN Group
2016–2018	ISO 9001:2008 (Quality management system certificate for leasing of space)	Certification International Pte Ltd (UK) Ltd.	LHN Group
2015–2018	Clean Mark Gold Award under the Clean Mark Accreditation Scheme (for cleaning services in the conservancy/ public areas, commercial premises and food & beverage establishments sectors)	National Environmental Agency of Singapore	Industrial & Commercial Facilities Management
2015–2016	Singapore Prestige Brand Award 2015 and 2016 — Established Brands	Association of Small & Medium Enterprises and Lianhe Zaobao	LHN Group
2014–2020	bizSAFE certificate (Level 3)	Singapore Workplace Safety and Health Council	LHN Group, Industrial & Commercial Facilities Management, HN Logistics and HLA Container Services
2014–2018	bizSAFE certificate (Level 3)	Singapore Workplace Safety and Health Council	Industrial & Commercial Security and LHN Parking
2014–2017	Certificate of Ordinary Membership for Singapore Logistics Association	Singapore Logistics Association	HN Logistics

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<u>Year</u>	<u>Award, recognition or accreditation</u>	<u>Awarding organisation(s)</u>	<u>Awarded entity(ies)</u>
2014–2017	CDAS Member Certificate	Container Depot Association (Singapore)	HLA Container Services
2014	Gold Award for the Singapore Health Award 2014 (to recognise efforts in promoting workplace health)	Singapore Health Promotion Board	LHN Group
2013–2015	Clean Mark Silver Award under the Clean Mark Accreditation Scheme (for cleaning services in the conservancy/ public areas, commercial premises and food & beverage establishments sectors)	National Environmental Agency of Singapore	Industrial & Commercial Facilities Management
2017–2019	ISO 9001:2015 (Quality management system certificate for facilities management services)	Certification International (Singapore) Pte Ltd	Industrial & Commercial Facilities Management
2017–2019	ISO 9001:2015 (Quality management system certificate for security management services)	Certification International (Singapore) Pte Ltd	Industrial & Commercial Security
2009–2018	SAS Corporate Membership Certificate	Security Association (Singapore)	Industrial & Commercial Security
2009–2017	Security Agency Grading Award (Grade A in the Security Agency Grading Exercise for 2009–2017)	Singapore Police Licencing and Regulatory Department	Industrial & Commercial Security
2005–2018	ISO 9001:2008 (Quality management system certificate for transportation of base oil, bitumen, chemicals and containers)	Certification International (Singapore) Pte Ltd.	HN Logistics
2001–2016	ISO 9001:2008 (Quality management system certificate for leasing of land and property)	Certification International (UK) Ltd.	LHN Group
2001–2016	ISO 9001:2008 (Quality management system certificate for leasing of land and property)	Certification International Pte Ltd (Singapore)	LHN Group

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EMPLOYEES

As at 30 September 2014, 2015 and 2016, and 30 June 2017, we employed 348, 384, 377 and 408 employees, respectively. The following table sets forth the total number of employees by function as at the Latest Practicable Date:

<u>Function</u>	<u>Number of employees</u>	<u>% of total</u>
Senior management and departmental managers	22	5.4
Human resources and administrative staff	26	6.4
Information technology staff	5	1.2
Finance staff	26	6.4
Sales and marketing staff (leasing, sales, marketing, business development)	32	7.8
Operations managers and personnel	62	15.2
Space procurement, project management and design staff	6	1.5
Cleaning personnel	56	13.7
Security personnel	92	22.5
Drivers and heavy equipment operators	55	13.4
Technicians and surveyors	27	6.6
Total	<u>409</u>	<u>100.0</u>

Employee Training and Development

We value our employees and we believe their progression in their skills and abilities are contributing factors to our success. We believe employee training will enable us to maintain our competitive edge as our training scope targets to update the skills and knowledge of our employees based on the latest changes in the business environment. The trainings provided to our employees focus on 3 main areas, namely leadership development, strategic & functional skills development and personal development. These trainings take place both locally and overseas, mainly organised by internationally recognised institution.

For example, for all new joiners, we have an informative in-house orientation programme introduce them to our culture, policies and procedures, and also our mission, vision and values so that we can deliver consistent quality services to our customers. For existing employees, we organise company-wide townhall communication sessions quarterly to share our latest initiatives, mission, vision & values and conduct department sharing sessions to enable our employees to keep abreast with the workings of the other departments and businesses. We also provide all our employees on-the-job training so that they are equipped with the skills and knowledge to make valuable contributions to our business and operations.

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Furthermore, as a requirement for providing security services of our facilities management business, all of our security employees must have obtained the certification as a security officer from the Singapore Police Licencing and Regulatory Department and completed the relevant required courses for their respective rank as stated below provided by recognised training institutions.

<u>Rank</u>	<u>Required courses</u>
Security officer	Handle Security Incidents and Services (102C-1) Provide Guard and Patrol Services (103C-1)
Senior security officer	Manage Disorderly Conduct and Threatening Behaviour (108E-1) Operate Basic Security Equipment (114E-1)
Security supervisor	Supervise Security Officer (301C-1)
Senior security supervisor	Monitor and Review Security Operations (310E-0)
Chief security officer	Manage Security Agency within Legal Framework (404C-1)

Employees' Contribution Recognitions

We believe outstanding contributions from employees should be recognised and not go unnoticed, which will in turn promote our mission, vision and values, instil a positive vibe in the company, and to further improve our services. Our employee awards include the best service employee, best leasing employee, best property employee and long service award.

We also provide individual and team incentives in addition to annual salary increase for employees and teams that have achieved sales and other performance targets, and award discretionary performance bonus to employees based on their performance and who perform according to our mission, vision and values.

INFORMATION TECHNOLOGY SYSTEMS

We rely on various information technology systems for our operations. Our information technology systems include:

- *Information Kiosks.* we have installed a number of information kiosks on the properties to provide directions, site map and information of the tenants on the property, and other relevant information. The information kiosks are also linked to our operations centre at our headquarters to provide assistance and response to the inquiry. With these kiosks, we are able to efficiently utilise our manpower and to minimise staff costs as we do not require manned information counters at these properties.

- *Online Portals.* we operate a number of portals for our operations, including (i) the “Space Portal” where potential tenants may conduct property rental searches for commercial, industrial and residential space, and potential landlords may list their properties with us; (ii) the “PickJunction” e-commerce portal, which provides e-commerce support for our tenants at the PickJunction spaces to list their products to sell online, which we charge a commission for the sales made through the e-commerce portal; (iii) our car park online portal, which allows users to register for seasonal parking and pay for their seasonal rental. We believe the use of the online portals allows us to expand our reach to our potential customers, our revenue base and provide supports to our business; (iv) the “Work+Store” portal, which allows users to subscribe to our Work +Store value-added services, such as the valet storage services where pick up of items for storage can be arranged; and (v) the GreenHub meeting room booking portal, which allows users to make reservation of meeting rooms at our GreenHub spaces.

- *Enterprise Resources Planning (ERP) System.* The ERP System consists of a number of modules which are essential to the internal administration of our Group, such as human resources system, procurement system and information technology ticketing system. Human resources system assists our human resources staff to facilitate performance appraisal of employees, process employee expenses claims, and record attendance of employees. Procurement system is a centralised system which processes employees’ requests of procurement of external services, supplies and equipment. Information technology ticketing system records information technology support requests and information technology issues handled by our information technology staff. Some of our standalone systems have also been integrated with our ERP System to allow more efficient management of information, including the following:
 - *Logistics Transport Management System.* The system assists our staff to manage the provision of logistics services, including scheduling of truck transportation services and allocation of drivers. The system is also able to generate a bill for invoicing purpose according to services performed as recorded in the system.

 - *Container Management System.* The system assists our staff to manage and monitor the inventory of containers and orders placed by our customers. All services performed in relation to the containers will also be recorded in the system. A bill will eventually be generated according to the record of the system.

 - *Client Resource Management (CRM) System.* We have implemented a CRM system in our operations, which tracks all our tenants information, tenancy records, correspondence and property information. We believe our CRM system provides our salesforce efficiency in our processes.

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- *Automation systems.* In order to implement our Group-wide digitalisation initiative, we have implemented e-services such as e-Invoices (electronic invoices), e-PO (electronic purchase orders) and e-Metering (electronic metering of water and electricity usage) in our processes. We believe these have greatly improved our efficiency as numerous processes have been automated and invoices, purchases orders and claims could be issued and sent internally and externally, saving administrative handling time and steps; and
- *Closed-circuit Television System.* Our space optimised properties in Singapore are installed with closed-circuit television system which is connected to the operation centre located at our headquarter. The operation centre operates and is manned 24 hours a day, seven days a week. Surveillance recordings will be stored in our server for a certain period of time.
- *Data and System Protection System.* All of our online portals are hosted by reputable and reliable web hosting providers where various systems are in place to protect our portals from external threats. Our internal systems are hosted by our internal servers in cluster. Failure of one or more servers in a cluster normally will not cause immediate material disruption to our system since the remaining functioning servers in the cluster can maintain normal operations until the problem is resolved. In case of severe server failure, we also have standby servers which can be activated within a short period of time to provide essential support to our operations. Moreover, backup copies of critical data are made daily and stored in hard-disks, tapes and offsite locations, and we deployed firewall, anti-virus software and other measures to protect our internal network. We have an information technology disaster recovery plan in place which sets out the policies and procedure for recovering critical technology platforms and telecommunications infrastructure in the event of a serious disruption to our information technology systems.

PROPERTIES

As at the Latest Practicable Date, in Singapore, we owned three investment properties with a total GFA of approximately 137,700 sq.ft. Furthermore, in Indonesia, we owned one investment property with a total GFA of approximately 18,700 sq.ft. These properties are used for property activities as defined under Rule 5.01(2) of the Listing Rules. The total market value of our property interests in Singapore and Indonesia as of 30 September 2017 was S\$40.0 million and Rp65.8 billion (equivalent to approximately S\$6.6 million), respectively, according to the Property Valuation Report. See also the Property Valuation Report in Appendix III of this prospectus for further details. As at the Latest Practicable Date, we also lease 29 properties with a total GFA of approximately 3,655,900 sq.ft.

Investment Properties

Please see “I. Our Space Optimisation Business — E. Key Information of Properties Managed under Our Space Optimisation Business — Properties Managed under Our Space Optimisation Business as at the Latest Practicable Date” in this section for details of properties that we owned.

Our Legal Title of our Kota Kasablanka Property

On 1 July 2013, PT HN Group, a wholly-owned subsidiary of our Company, has entered into four conditional sale and purchase agreements (and addendums to the agreement) (the “**PPJBs**”) with the developer (the “**Developer**”) of the four units at Kota Kasablanka (the “**Units**”).

We set out below a summary of the major terms of the PPJBs, as amended by the addendums:

Date:	1 July 2013
Parties:	(1) PT HN Group, as purchaser; and (2) PT Elite Prima Utama, as vendor.
Premises:	Our Kota Kasablanka property (4 Units – A to D, EightyEight@Kasablanka Office Tower, Lantai 38, Jl. Casablanca Raya Kav. 88 Kelurahan Menteng Dalam, Kecamatan Tebet, Kota Administrasi Jakarta Selatan, Indonesia).
Consideration:	IDR 55,887,975,000 (inclusive of 10% value-added tax). The consideration has been paid through a booking fee and in four installments on 1 June 2013, 4 July 2013, 24 July 2013 and 29 July 2013, respectively.
Physical handover of the premises:	By 31 July 2013 or upon full payment of the consideration by PT HN Group, whichever is earlier. The premises had been handed over to PT HN Group on 16 August 2013.
Transfer of title to and delivery of strata title certificates of the premises:	No later than 15 May 2018.

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Termination:	PT HN Group may terminate the PPJBs by giving a 14 business days' notice if, among others, legal title to the premises is not transferred by PT Elite Prima Hutama to PT HN Group and the notarized deed of sale and purchase (Akta Jual Beli, or “ AJB ”) is not executed by the parties thereto by 15 May 2018 or within 6 months of the issue of certificate of office unit, and PT Elite Prima Hutama shall refund the full amount of consideration paid to PT HN Group within seven business days of the termination.
Right to assign and transfer the rights under the PPJBs:	PT HN Group may freely assign or transfer its rights under the PPJBs on or after 15 May 2015.

As at the Latest Practicable Date, PT HN Group has not obtained the strata title certificates (the “**STCs**”), which represent the legal title of real estate, for the Units purchased by PT HN Group. According to the PPJBs, the Developer shall deliver the STCs to PT HN Group by 15 May 2018. However, based on the information provided by the Developer, there may be a potential postponement of the delivery of the STCs. As advised by our legal advisers as to Indonesia law, this will not affect our contractual rights under the PPJBs to, amongst others, (i) physically possess the Units and conduct our business of leasing the Units, (ii) obtain a refund of the selling price of the Units if the Developer defaults, and (iii) assign or transfer our rights with respect to the Units under the PPJBs. Our legal advisers as to Indonesia law, Dau & Tuah, are of the view that delivery of the STCs is a standard administrative process that applies to all the purchasers of the same development, and that there are no legal impediments to delivery of the STCs provided that the Developer complies with (i) all its obligations under the PPJBs, and (ii) all local laws, regulations and policy requirements imposed by the local Indonesian authorities. Further, PT HN Group has fulfilled all its legal obligations under the PPJBs including full payment of the purchase price, and PT HN Group has confirmed that it has not defaulted on any of its legal obligations under the PPJBs. See also “Risk Factors — Risks Relating to Our Business — The appraisal value of our investment properties in Singapore and Indonesia may be different from their actual realisable value and are subject to uncertainty or change.” in the prospectus for further details.

Despite not obtaining the STCs for the Units yet, our property valuer, Jones Lang LaSalle Property Consultants Pte. Ltd., has advised that since (i) our legal advisers as to Indonesian law, Dau & Tuah, are of the view that delivery of the STCs is a standard administrative process that applies to all the purchasers of the same development and that there are no legal impediments to the delivery of the STCs provided the Developer will comply with the relevant requirements stated above; (ii) it is a market practice to value the Unit as a strata-titled office as it is ready for occupation and work activities to be carried out in the premises even though the strata title certificate for the Units are yet to be issued; and (iii) this market practice is also consistent with the practices to value

Indonesian properties where STCs are yet to be issued for Indonesian private and public companies, the property valuer has been able to carry out valuation on the Units and attribute fair value to the Units.

Our Terminated Sale and Leaseback Arrangement of Singapore Handicrafts Building

Background

On 8 December 2016, Singapore Handicrafts entered into a sale and leaseback arrangement with HSBC Institutional Trust Services (Singapore) Limited as trustee of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust (“**Sabana REIT**”) for the leasehold interest of a land located at 72 Eunos Avenue 7, Singapore (including the Singapore Handicrafts Building on the land) through a put and call option agreement for a sale price of S\$20 million, which was determined with reference to the valuation of the property and after arm's length negotiation. Sabana REIT is a Shari'ah compliant real estate investment trust in Singapore listed on the SGX-ST. Sabana REIT owns and invests in income-producing real estate used for industrial purposes, as well as real estate-related assets, in line with Shari'ah investment principles. Sabana REIT is managed by an external manager, Sabana Real Estate Investment Management Pte. Ltd. Sabana REIT and Sabana Real Estate Investment Management Pte. Ltd. are Independent Third Parties, and are not related to our Company, our Directors, senior management or any of their respective associates.

Reasons for entering into the sale and leaseback arrangement

Our business strategy as disclosed in “— Our Business Strategies” in this section above is to expand our properties portfolio in Singapore through master leases and to a lesser extent, through acquisition of properties. We generally do not acquire properties as property acquisition requires a substantial initial investment. We do on rare occasions acquire properties if we come across the right opportunity that fits our selection criteria including the location of the property, remaining leasehold life, target acquisition price to be not more than the construction cost based on maximum plot ratio, and with a potential to increase the NLA by 10.0% or more if we are to acquire the entire property. The potential for a sale and leaseback arrangement in the future is not one of the criteria for making the assessment.

We also do not actively seek for sale and leaseback arrangements. However, on this occasion, we believe the sale and leaseback arrangement would have been beneficial to us and enable us to realise the increase in value of the property at 72 Eunos Avenue 7, Singapore and to use the sale proceeds for further expansion of our space optimisation business. Under the sale and leaseback arrangement, upon completion of the sales, we would have leased the property from Sabana REIT under a master lease arrangement, and we may continue to operate our business on the property just as other master lease arrangements. As the sale and leaseback arrangement is not expected to have any substantial effect on the existing tenants, it is expected that we could continue to generate a stable stream of rental income from the tenants. Our intention at the time was to continue to operate our PickJunction business on the property even after completion of the disposal, which would have been consistent with our business operations. As at the Latest Practicable Date, we have invested a

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total of S\$2.5 million on the renovation of the property, and have started to build up our customers for the PickJunction business. If we would have only disposed of the property to realise the value of the property, we would have to search for another property to replace this property, we would then be required to incur additional costs to renovate the property and to ramp up our customers for the property. As such, we believe after the disposal, we should leaseback the property with arrangements similar to our master leases, and we have also considered at the time, it has been an opportunistic time to realise the gain on the property based on the market sentiment at the time.

Going forward, we may consider a sale and leaseback arrangement if the right opportunity exist for us to realise the increase in our property value but it is not part of our business strategy to acquire properties for sale and leaseback as property acquisitions are only a part of the overall strategy to grow our property portfolio for our space optimisation business.

Termination of the sale and leaseback arrangement

According to the put and call option agreement, the completion of sale and leaseback arrangement was subject to, among others, obtaining relevant approvals and confirmations from HDB, and if relevant approvals and confirmations from HDB have not been obtained within 32 weeks' time from the date of the put and call option agreement (i.e. by 20 July 2017), we or Sabana REIT may unilaterally rescind the put and call option agreement. This was a commercial term agreed between the parties after arm's length negotiation.

Based on our experience, it typically takes around six months for HDB to provide its consent for property transfers. We believe the application for the sale and leaseback arrangement has taken longer than our previous property acquisitions as the transaction is not a simple buy and sell transaction. We have entered into the put and call option agreement on 8 December 2016, and have submitted the application to HDB in mid-January 2017 after we have prepared the package. Since the date of application and up to the termination of the sale and leaseback arrangement, we have promptly provided information and documents as requested by the Singapore authorities as part of the application process. To the best of our Directors' knowledge, information and belief, we would have been close to obtaining the required approval if the sale and leaseback arrangement has not been terminated. On 20 July 2017, Sabana REIT exercised its right to rescind the put and call option agreement according to the terms of the agreement as HDB is yet to provide the approval for the sale and leaseback.

Leased Properties

Space Optimisation Business

As of the Latest Practicable Date, we leased 29 properties with a total GFA of approximately 3,655,900 sq.ft. for our operations of space optimisation business, one property with GFA of approximately 275,600 sq.ft. for our operations of logistics services business, and three properties with a total of approximately 399 equivalent parking lots (based on our internal record) for our operations of facilities management business.

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Please see “I. Our Space Optimisation Business — E. Key Information of Properties Managed under Our Space Optimisation Business — Properties Managed under Our Space Optimisation Business as at the Latest Practicable Date” in this section for details of properties that we leased under our space optimisation business.

Please see “II. Facilities Management Business” in this section for details of properties that we leased under our facilities management business for operations of car parks.

Other than our leased properties that we sub-lease to our tenants under our space optimisation business, and our leased properties that we operate as car parks under our facilities management business, we also leased the following properties to operate as container yard under our logistics services business:

Lessee	Existing usage	Approximate GFA (sq.ft.)	Expiry date (year)	Renewal term	Address
HLA Container Services (Thailand)	Logistics Services (container yard) and Registered Office	275,600	2027	12 years	No. 133/5 Moo 9, Surasak Subdistrict, Sriracha District, Chonburi Province, Thailand
HLA Container Services (Thailand)	Logistics Services (container yard)	344,640	N/A ^(note)	21 years (3 years each for a maximum of 7 times of renewal)	Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province

Note: The initial lease term is three years commencing upon the landlord completes the concrete flooring. As at the Latest Practicable Date, the landlord has not completed the concrete flooring and the lease term has not commenced.

LICENCES, PERMITS, APPROVALS AND CERTIFICATIONS

In order to operate our businesses, we are required to obtain different kinds of licences, permits, approvals and certifications. As at the Latest Practicable Date, except for the YCDC Licence in Myanmar we obtained all material requisite licences, permits, approvals and certificates necessary for the operation of our business in the jurisdictions in which we operate and such licences and permits are still valid and in force. We have not experienced any refusal of the renewal application of any material licences or permits necessary for the operation of our business. See “Regulatory Overview” in this prospectus for further information on the material licences, permits, approvals and certifications necessary for our operations.

HEALTH AND SAFETY MATTERS

We are also dedicated to the health and safety of our employees. In order to ensure we have a high level of safety and health standards at our workplace, LHN Group, International & Commercial Security, International & Commercial Facilities Management, HLA Container Services, HN Logistics and LHN Parking are all certified bizSAFE enterprises by the Singapore Workplace Safety and Health Council. LHN Group, as the intermediate holding company of all of our operating subsidiaries, has been awarded the merit award for the Singapore Health Award 2017 from the Singapore Health Promotion Board in recognising its efforts in promoting workplace health.

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In terms of property safety, we carry out regular random checks on our properties for property safety and security audit, and tenancy compliance audits, for safety compliance/compliance with the relevant rules and regulations. Our self-storage properties also complied with the latest regulations which has taken into account safety and hazardous issues that arose from a disastrous fire accident at self-storage premises in Hong Kong in June 2016.

During the Track Record Period, a then employee of Industrial & Commercial Security was involved in a fight with his co-worker. The employee was injured and sent to the hospital. Subsequently, the employee was dismissed by Industrial & Commercial Security for gross misconduct. The employee alleged such injury to be work injury and claimed compensation in relation to the fight and initiated court proceedings against Industrial & Commercial Security. The legal proceedings were settled in September 2016 and the settlement was fully covered by our work injury insurance policy.

Save as disclosed herein, during the Track Record Period and up to the Latest Practicable Date, we did not experience any material accident, medical incidents or safety issue involving our employees or our properties.

INSURANCE

We maintain various insurance policies, such as group public liability insurance properties, business interruption insurances for our buildings, and other insurances such as fire commercial insurances and industrial all risks insurances as required by our landlords for selected properties. We also maintain motor vehicle insurances for our vehicles including the logistics vehicles, electronic equipment and machinery and equipment all risks insurances, transport operators liability insurance, commercial vehicle fleet insurance and money insurance.

We also provide all of our employees with fidelity insurances, professional indemnity insurances, group personal accident and group hospital and surgical policy as well as work injury compensation policies. We also maintain directors' and officers' liability insurances for the executive Directors and executive officers of our Company, and keyman insurance for our executive Directors.

Our Directors consider our insurance coverage is consistent with the customary practice of businesses of our size and type, and in line with the standard commercial practice in the relevant jurisdiction. We will procure the necessary additional insurance coverage for our business operations, properties and assets as and when the need arises. See also "Risk Factors — Risk Relating to Our Business — We maintain limited insurance coverage" in this prospectus for details.

LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, our Directors confirmed that we did not commit any material non-compliance of the laws or regulations. During the same periods, we also did not experience any non-compliance of the laws or regulations, which taken as a whole, in the opinion of the Directors, reflects negatively on the ability or tendency of our Company, the Directors or our senior management, to operate our business in a compliant manner.

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However, during the Track Record Period, we had not obtained the YCDC Licence and the table below set out the non-compliance:

Particulars of non-compliance	Reasons for non-compliance	Legal consequences and potential maximum penalties	Remedial actions and status	Any operational and/or financial impact on our Group	Enhanced internal control measures to prevent re-occurrence of non-compliance
<p>GH Yangon is carrying on the business of managing 85SOHO serviced residence at No. 85 Boyar Nyunt Street, Dagon Township, Yangon, which building is located within the development administration area of Yangon City Development Committee (“YCDC”) without a business licence issued by YCDC in breach of section 66(a), YCDC Law (Yangon Region Hluttaw Law No.6/2013) dated 8 October 2013 (“YCDC Law”).</p>	<p>The non-compliance was attributed to the inadequate knowledge of the responsible staff of GH Yangon in Myanmar at the relevant time, who believed that all regulatory requirements for conduct of the business of GH Yangon had been complied with.</p>	<p>According to section 68, YCDC Law, persons convicted of violating any stipulation or restriction provided in YCDC Law shall be punished with imprisonment for a maximum term of one year or with a fine (between Myanmar Kyats 10,000 to Myanmar Kyats 500,000) or both. To clarify, Myanmar Kyats 500,000 would be the equivalent of about USD368 (based on the exchange rate of USD1 = Myanmar Kyats 1,359 as published on the website of the Central Bank of Myanmar on 6 June 2017).</p> <p>According to section 69, YCDC Law, persons convicted under section 68 who continue to violate said stipulation or restriction shall be punished with a maximum fine of Myanmar Kyats 50,000 per day for every day of continued violation or a further imprisonment term of up to one year.</p> <p>Further, section 76, YCDC Law provides generally that YCDC has the “right to sue” (although it makes no mention of the specific breaches of YCDC Law that would trigger this right).</p>	<p>GH Yangon has submitted the relevant application to Dagon Township Development Administrator’s Office of YCDC for the grant of a business licence for financial year 2017-2018 pursuant to section 66(a) YCDC Law.</p> <p>The said application has been accepted for further processing by Dagon Township Development Administrator’s Office on 30 May 2017.</p>	<p>According to our legal advisers as to Myanmar Law, Polastri Wint & Partners Legal Services Limited, (“Myanmar Counsel”), in its view, it is highly unlikely that a custodial sentence would be imposed on the Directors of GH Yangon, if the directors of GH Yangon should face prosecution for GH Yangon’s failure to comply with section 66(a), YCDC Law, having considered the relevant circumstances including that:</p> <p>(i) To date and to Myanmar Counsel’s knowledge, failure to apply for a business licence from YCDC has not as yet resulted in criminal prosecution. It is more likely in Myanmar Counsel’s view that YCDC will ordinarily impose a fine for the majority of breaches under YCDC Law, where the breaches are not persistent or have not been committed over a prolonged period of time. As GH Yangon had commenced operations of 85SOHO Serviced residence at No. 85 Boyar Nyunt Street in 2016, the breach is unlikely, in Myanmar Counsel’s view, to be deemed as a persistent or prolonged breach by YCDC.</p> <p>(ii) More importantly, GH Yangon has submitted an application to the Dagon Township Development Administrator’s Office for the grant of a business licence and the application has been accepted for further processing on 30 May 2017. In Myanmar Counsel’s view, this would be a strong mitigating factor in favour of GH Yangon. Ordinarily, YCDC may take about two to three months to issue a business licence from the date of acceptance of the application for further processing (subject to prevailing internal procedures of and arrangements between relevant YCDC departments involved in the licencing process).</p> <p>Further, Myanmar Counsel also takes the view that the risk of YCDC taking any civil action against GH Yangon and/or its directors is low based on the same considerations mentioned above.</p>	<p>The reason that the non-compliance took place was attributed to the inadequate knowledge of the responsible staff of GH Yangon, and not on the part of Mr. Kelvin Lim though he was one of the directors responsible for supervising our operations when the non-compliance took place. At the relevant time of the non-compliance, the monitoring of compliance as licensing of overseas subsidiaries are allocated to the responsible staff of the relevant overseas subsidiaries as we believe such staff are better suited for monitoring compliance and licensing as they have the language advantage and local knowledge.</p> <p>Due to the incident, our management, including Mr. Kelvin Lim has decided to centralise all monitoring of licences and compliance of all our overseas subsidiaries at our headquarters by our compliance team in order to manage our licences and renewal more efficiently. The compliance team is set-up for assisting in monitoring compliance matters in Singapore since the Catalist Listing and is headed by Mr. Kelvin Lim, our executive chairman of our Board and our compliance officer under the Catalist Listing Manual, and members include Ms. Jess Lim, our executive Director, Ms. Yeo Swoe Cheng, our Group’s chief financial officer, and other team members. In order to ensure our compliance team has adequate training to supervise compliance and licensing matters, the compliance team and its team members have attended a range of trainings during the Track Record Period and up to the Latest Practicable Date depending on the team member’s responsibilities to ensure our compliance team has the most updated information to carry out their duties, including but not limited to taxation, financial reporting and management, and legal compliance matters. In particular, our Myanmar legal advisers, Polastri Wint & Partners Legal Services Limited, have provided training to our compliance team relating to legal and compliance issues and requirements under Myanmar laws and regulations.</p> <p>Our Directors are of the view that Mr. Kelvin Lim as our compliance officer for the purpose of the Catalist Listing Manual, and the head of our compliance team, is suitable to supervise the compliance team to monitor the licensing and compliance matters in Myanmar.</p> <p>Our compliance team will, prior to expiry of the validity period of our key licenses, check the process for renewal or re-application (as the law requires) of our key licenses (including the business licence under YCDC Law) and our Group will also engage in additional external licencing consultants to provide professional advice on the regulatory requirements relating to our operations in Myanmar to ensure compliance with relevant statutory requirements in the future.</p>

INTERNATIONAL SANCTIONS ON SALES TO AND DEALINGS WITH MYANMAR

During the Track Record Period, we managed a residential property in Myanmar. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, our revenue generated from Myanmar amounted to nil, nil, S\$0.2 million and S\$0.6 million, respectively, representing nil, nil, 0.2%, 0.8%, respectively during the same periods.

To evaluate whether or not our business activities in Myanmar during the Track Record Period as well as our planned activities in Myanmar beyond the Track Record Period expose us to sanctions risk associated with countries or parties sanctioned by the Relevant Jurisdictions, it is first necessary to review the scope of such sanction programs and also to assess if such sanction programs apply extra-territorially to encompass us as a company incorporated in Singapore.

Further, it is also necessary to understand that sanctions programs vary among individual countries and also within individual countries. Some sanction programs are comprehensive and prohibit all activities with a sanctioned country or with a sanctioned party, whereas other sanction programs are selective or targeted and merely prohibit certain specified activities. In the case of sanctions against Myanmar, the sanctions programs have been selective or targeted programs.

Also, as will become evident from a review of the sanction summaries presented below, the sanction programs that exist against Myanmar do not apply extra-territorially to encompass us as a company incorporated in Singapore.

Finally, in the case of Myanmar, it is critical to recognise that the Myanmar sanctions imposed by the Relevant Jurisdictions are being phased out and in some cases, have been deleted in entirety as will explained below.

Australian Sanctions Against Myanmar

In Australia, sanction laws consist of a statute implementing the United Nations Security Council (“UNSC”) sanctions and separate laws containing Australia’s autonomous sanctions. There have been no UNSC sanctions regarding Myanmar between 2014 and today, however the Australian government has operated an autonomous sanctions regime in relation to Myanmar since 1991. The scope of this regime has narrowed in the interceding years. Currently, three forms of activities are subject to Australia’s Myanmar sanctions regime.

- The primary prohibition relates to the direct or indirect supply, sale or transfer of arms or related material to Myanmar, for the use of Myanmar or for the benefit of Myanmar (“**a sanctioned supply**”).
- Flowing on from this, the provision of certain services to Myanmar are prohibited insofar as those services assist with, or were provided in relation to, a sanctioned supply or the manufacture, maintenance or use of arms and related material for Myanmar (“**sanctioned services**”).

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- Finally, the making of an asset available to, or for the benefit, of certain designated people and entities is prohibited (“**dealing with a designated person or entity**”).

The only change to Australia’s Myanmar sanctions regime between 2014 and today relates to the scope of sanctioned services. Until May 2015, services that assisted with, or were provided in relation to, military activity were prohibited in addition to the sanctioned services discussed above.

The prohibitions on making a sanctioned supply, providing a sanctioned service and dealing with a designated person or entity are considered to have limited extraterritorial operation. This means that these prohibitions apply to:

- Conduct that occurs wholly or partly in Australia;
- Conduct that occurs wholly outside of Australia that leads to a result that occurs wholly or partly within Australia;
- Conduct undertaken by an Australian citizen or by a body corporate incorporated under Australian Federal, State or Territory laws.

Since we are not incorporated under Australian law and have not engaged in any activities in Australia or any activities outside Australia that have any consequence in Australia, we are not subject to Australian sanctions against Myanmar.

Further, while Australia does maintain sanctions against certain designated persons, a recent screening by our Sanctions Law Legal Advisers of our customers and suppliers, including the customers and suppliers of GH Yangon, that was conducted by means of an automated screening service provided by a third party sanctions screening vendor, indicates that none of these customers or suppliers is currently designated as a party subject to sanctions by Australia.

In conclusion, while Australian sanctions do prohibit certain activities involving Myanmar and do prohibit dealings with certain designated parties, our Sanctions Law Legal Advisers have concluded that Australia’s sanctions against Myanmar and specified designated persons, do not encompass our activities during the Track Record Period or our planned activities in Myanmar, our customers or our suppliers and more generally do not apply to us since we are not incorporated under Australian law and have not in any event engaged in any activities that violate Australia’s sanctions against Myanmar.

EU Sanctions Against Myanmar

The EU initially imposed sanctions on Myanmar in 1991. These early sanctions took the form of an arms embargo and a visa ban on senior members of the State Law and Order Restoration Council as well as on senior members of the military and the security forces and their families. The EU sanctions on Myanmar were subsequently expanded to prohibit giving assistance to military activities, exporting equipment that might be used for internal repression, financing certain Myanmar state-owned enterprises, and establishing requirements to freeze the assets and resources of all members of the Government of Myanmar and their associates. Additional revisions to the EU

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sanctions on Myanmar occurred in April 2013 when the EU generally lifted the majority of its Myanmar sanctions in response to political changes that were taking place in Myanmar. The EU sanctions on Myanmar that remain in effect include EU's arms embargo on Myanmar as well as EU's blocking sanctions against certain parties who are affiliated with the Government of Myanmar and their associates. The EU blocking sanctions generally forbid dealings with or involving persons on the EU's consolidated list of sanctioned persons.

The limited EU sanctions that remain in effect against Myanmar are only applicable to "EU persons", which include:

- nationals of EU member states;
- legal persons, entities or bodies incorporated or constituted under EU member state laws; and
- legal persons, entities or bodies in respect of any business done within the European Union, which includes its territory, its airspace or onboard vessels under the jurisdiction of any member state.

Thus, the remaining EU sanctions against Myanmar largely do not have extra-territorial application and as a result these sanctions do not apply to us as a company which: (a) is registered in Singapore; and (b) does not engage in any business activities that are prohibited under the EU sanctions against Myanmar.

Further, while the EU does maintain sanctions against certain designated persons, a recent screening of our customers and suppliers, including the customers and suppliers of GH Yangon, that was conducted by means of an automated screening service provided by a third party sanctions screening vendor, indicates that none of these customers or suppliers is currently designated as a party subject to sanctions by the EU.

In conclusion, while EU sanctions do prohibit certain activities involving Myanmar and also do prohibit dealings with certain EU designated parties, our Sanctions Law Legal Advisers have concluded that EU's sanctions against Myanmar and specified designated persons, do not encompass our activities during the Track Record Period or our planned activities in Myanmar, our customers or our suppliers and more generally do not apply to us since we are not an EU person and has not in any event engaged in any activities that violate the EU sanctions against Myanmar.

U.S. Sanctions Against Myanmar

U.S. sanctions against Myanmar restrict only the activities and transactions of "U.S. Persons" vis a vis Myanmar. U.S. Persons are defined as "any United States citizen, permanent resident alien, entity organised under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States."

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Before June 2014, U.S. Persons were prohibited under U.S. sanctions against Myanmar from making new investments in Myanmar, importing Burmese jadeite and rubies into the U.S., and exporting or reexporting financial services to Myanmar. The term financial services was defined in the Myanmar sanction regulations as “transfer of funds, directly or indirectly, from the United States or by a U.S. person, wherever located, to Myanmar; or provision, directly or indirectly, to persons in Myanmar of insurance services, investment or brokerage services (including but not limited to brokering or trading services regarding securities, debt, commodities, options, or foreign exchange), banking services, or money remittance services; loans, guarantees, letters of credit, or other extensions of credit; or the service of selling or redeeming traveller’s checks, money orders, or stored value.”

On 30 June 2014, the U.S. significantly eased sanctions against Myanmar by issuing several general licences, the effect of which was to relax various financial and investment sanctions that had previously been in effect.

One general licence that was issued authorised the exportation or reexportation of financial services to Myanmar, directly or indirectly, from the United States or by a U.S. person, wherever located with the exception of those financial services that were intended for the Myanmar Ministry of Defence or any state or non-state armed group in Myanmar or any entity in which either of the foregoing owned a 50 percent or greater interest.

Another general licence issued on 30 June 2014 authorised new investment in Myanmar by U.S. persons, excluding new investment undertaken pursuant to an agreement entered into with the Myanmar Ministry of Defence or any state or non-state armed group in Myanmar or any entity in which either of the foregoing owned a 50 percent or greater interest.

Finally, all transactions involving Asia Green Development Bank, Ayeyarwady Bank, Innwa Bank, and Myawaddy Bank were authorised as a result of the sanctions relaxation that occurred in 30 June 2014.

The final relaxation of the U.S. sanctions against Myanmar occurred on 7 October 2016 when the US revoked its sanctions against Myanmar in entirety. Since that date, U.S. sanctions against Myanmar are no longer in effect. Nonetheless, some parties do remain sanctioned pursuant to US sanctions against Myanmar. However, a recent screening of our customers and suppliers, including the customers and suppliers of GH Yangon, that was conducted by means of an automated screening service provided by a third party sanctions screening vendor, indicates that none of these customers or suppliers is currently designated as a party subject to sanctions by the U.S.

As stated above, the U.S. sanctions against Myanmar that were in effect until 7 October 2016 applied only to U.S. Persons. They had no extra-territorial application and hence did not apply to us as a company registered in Singapore because we do not qualify as a U.S. person and have not had any involvement in business activities that violate U.S. sanctions.

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In conclusion, while U.S. sanctions against Myanmar did prohibit certain activities involving Myanmar and continue to prohibit dealings with certain designated parties, our U.S. sanctioned law legal advisers, Morgan, Lewis & Bockius LLP, has concluded that U.S. sanctions against Myanmar and specified designated persons, do not encompass our activities during the Track Record Period or our planned activities in Myanmar, our customers or our suppliers and more generally do not apply to us since we are not a U.S. Person and did not in any event engage in any activities that violated the U.S. sanctions against Myanmar.

UN Sanctions Against Myanmar

The UN repealed its sanctions regime against Myanmar in 2014. Hence the UN does not currently maintain any sanctions against Myanmar as a country. Nonetheless, some parties do remain sanctioned pursuant to UN sanctions against Myanmar as designated in the UN Consolidated Sanctions List (UNCSL). The UNCSL includes all individuals and entities subject to sanctions measures imposed by the UN Security Council. However, a recent screening of our customers and suppliers, including the customers and suppliers of GH Yangon, that was conducted by means of an automated screening service provided by a third party sanctions screening vendor and that includes the UNCSL, indicates that none of these customers or suppliers is currently designated as a party subject to sanctions by the UN.

As stated above, other than UN sanctioned parties, no UN sanctions need to be considered in evaluating sanctions risk encountered by us with respect to our sanctions exposure resulting from our business activities in Myanmar — both during the Track Record Period and after the Track Record Period.

Advice from our Sanctions Legal Advisers

Our Sanctions Legal Advisers are of the view that our activities during the Track Record Period or our planned activities in Myanmar do not present sanctions risks to our Group, our Shareholders or potential investors merely as a result of holding our Shares or of investing in our Company, or to the Listing Committee, the Hong Kong Stock Exchange and its affiliates, including HKSCC and HKSCC Nominees, as a result of the Listing or of providing services relating to the Listing.

Undertaking to the Hong Kong Stock Exchange

We undertake to the Hong Kong Stock Exchange that (i) we will not use the proceeds from the Global Offering, as well as other funds raised through the Hong Kong Stock Exchange to finance or facilitate, directly or indirectly, any projects or businesses in the Sanctioned Jurisdictions; (ii) we will not enter into sanctionable transactions that would expose ourselves, our Shareholders or potential investors, the Listing Committee, or the Hong Kong Stock Exchange and its affiliates, including HKSCC and HKSCC Nominees, to risks of being sanctioned; (iii) if we believe that the transactions we have entered into in the Sanctioned Jurisdictions, if any, will put us, our investors, our Shareholders, the Listing Committee, or the Hong Kong Stock Exchange and its affiliates, including HKSCC and HKSCC Nominees, in the risks of being sanctioned, we will

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disclose on the Hong Kong Stock Exchange's website, on our website, and in our annual or interim report of our efforts on monitoring our business exposure to sanctions risk, the status of future business, if any, in the Sanctioned Jurisdictions and its business intention relating to the Sanctioned Jurisdictions; and (iv) we will maintain separate bank accounts which would be designated for the sole use of deposit and deployment of the listing proceeds. If we were in breach of such undertaking to the Hong Kong Stock Exchange, we risk possible delisting of our Shares from the Hong Kong Stock Exchange.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

We have established an internal control system and risk management procedures for our operations, and as a listed company on the Catalist board of the SGX-ST, including but not limited to:

- our Board has established the Audit Committee and the members include our three independent non-executive Directors, namely, Mr. Chan Ka Leung Gary, Ms. Ch'ng Li-Ling and Mr. Eddie Yong. The Audit Committee, on behalf of the Board, reviews the internal control systems, including financial, operation, compliance and information technology controls, and to safeguard and maintain accountability of assets. See "Directors and Senior Management — Audit Committee" in this prospectus for a summary of the scope of work of our Audit Committee.
- our Board has established the Remuneration Committee and the members include our three independent non-executive Directors, namely, Mr. Chan Ka Leung Gary, Ms. Ch'ng Li-Ling and Mr. Eddie Yong. See "Directors and Senior Management — Remuneration Committee" in this prospectus for a summary of the scope of work of our Remuneration Committee.
- our Board has established the Nominating Committee and the members include our three independent non-executive Directors, namely, Mr. Chan Ka Leung Gary, Ms. Ch'ng Li-Ling and Mr. Eddie Yong. See "Directors and Senior Management — Nominating Committee" in this prospectus for a summary of the scope of work of our Nominating Committee.
- procedures to ensure that mandated transactions with the mandated interested persons (as defined under the Catalist Listing Manual) are made on an arm's length basis and on normal commercial terms, supported by independent valuation where appropriate, and are consistent with our usual policies and practices and are not prejudicial to the interests of our Company and our minority Shareholders;
- we have adopted a set of corporate governance guidelines in compliance with the Catalist Listing Manual and the Listing Rules;

BUSINESS

- our Directors have attended trainings conducted by our Hong Kong legal advisers, Luk & Partners in Association with Morgan, Lewis & Bockius, on the ongoing obligations, duties and responsibilities of directors of publicly listed companies under the Companies Ordinance, the SFO and the Listing Rules and our Directors are fully aware of their duties and responsibilities as directors of a listed company in Hong Kong;
- our Group has appointed Fortune Financial Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules to ensure that, among other things, we are properly guided and advised as to compliance with the Listing Rules and all other applicable laws, rules, codes and guidelines;
- our Group has established the Audit Committee with written terms of reference in accordance with Appendix 14 to the Listing Rules to review the internal control system and procedures for compliance with the requirements of the Listing Rules and other applicable laws, rules and regulations;
- our Group will from time to time, appoint external legal advisers, where applicable, to advise on compliance with and provide us with updates on the changes in the Listing Rules and the applicable laws, regulations and rules from time to time to see if any change is required to be made with our operations and/or internal control policy;
- we will maintain a control list of the sanctioned countries, persons and entities to review our existing and potential customers' information, and will update the list from time to time. We may also engage external legal counsel with necessary expertise and experience in sanctions matter to evaluate sanctions-related risks as and when necessary and will adhere to appropriate advice provided by such external legal counsel; and
- the proceeds from the Global Offering or any other funds raised through the Hong Kong Stock Exchange will be deposited in a designated bank account separate from other funds of our Group; and our Board will monitor our use of proceeds from the Global Offering, as well as the performance of our undertaking to the Hong Kong Stock Exchange relating to sanctions matters.

We have also engaged an independent consulting firm (the “**Internal Control Consultant**”) under a non-assurance engagement, as the Company’s internal controls consultant to review our internal control system in connection to the Listing. As at the Latest Practicable Date, our Directors confirmed that there were no findings from such review which will materially affect our business, operations or financial results.

Our Directors and the Sole Sponsor are of the view that the above measures will provide reasonably adequate and effective framework to assist us in identifying and monitoring any material risks relating to sanctions law so as to protect the interests of our Shareholders, potential investors and us.

Risk Management

We are exposed to various risks in the operations of our business and we believe that risk management is important to our success. Key operational risks faced by us include, among others, changes in the general market conditions and perceptions in property rentals, facilities management and logistics services, changes in the regulatory environment in the jurisdictions we operate in, our ability to offer quality properties and services, our ability to expand the number of our properties and customers, and the fees we charge, our potential expansion as described in “Business — Our Business Strategies” in this prospectus, availability of financing to fund our expansion and business operations, and competition from our competitors of businesses.

To properly manage these risks, we have established the following risk management structures and measures:

- our Board is responsible and has the general power to manage the operations of our businesses, and is in charge of managing our overall risks. It is responsible for considering, reviewing and approving any significant business decision involving market risk exposures, such changes in interest rates and currency exchange rates, expansion into new geographical region, increase our rentals and fees, to acquire any businesses and lands for our businesses, and to enter into any joint venture with any parties;
- we maintain insurance coverage, which we believe is consistent with the customary practice of businesses of our size and type, and in line with the standard commercial practice in the relevant jurisdiction; and
- we are also accredited with a number of ISO 9001:2008 quality management systems, including for lease of land and property, for facilities management services, for security management services, and for transportation of base oil, bitumen, chemicals and containers, to minimise risks in our operations.

DIRECTORS AND SENIOR MANAGEMENT

BRIEF INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Board is responsible for and has general power over the management and conduct of our business. It currently consists of five Directors. Two of them are executive Directors and three of them are independent non-executive Directors. The table below sets forth certain information regarding members of our Board:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date of appointment</u>	<u>Date of joining our Group</u>	<u>Roles and Responsibilities</u>	<u>Relationship with other Directors or senior management</u>
Mr. Lim Lung Tieng (also known as Lin Longtian) (林隆田)	40	Executive Director and executive chairman	10 July 2014	February 2001	Business development and overall management of our Group	Brother of Ms. Jess Lim
Ms. Lim Bee Choo (also known as Lin Meizhu) (林美珠)	43	Executive Director	10 July 2014	January 2002	Internal processes and corporate planning of our Group	Sister of Mr. Kelvin Lim
Ms. Ch'ng Li-Ling (莊立林)	46	Independent Non-executive Director	10 March 2015	10 March 2015	Lead Independent Director and chairlady of the Remuneration Committee	None
Mr. Yong Chee Hiong (楊志雄)	64	Independent Non-executive Director	10 March 2015	10 March 2015	Chairman of the Nominating Committee	None
Mr. Chan Ka Leung Gary (陳嘉樑)	44	Independent Non-executive Director	5 June 2017	5 June 2017	Chairman of the Audit Committee	None

The following table sets out some information in respect of our senior management:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date of appointment</u>	<u>Date of joining our Group</u>	<u>Roles and responsibilities</u>	<u>Relationship with other Directors or senior management</u>
Mr. Wong Sze Peng, Danny (王志斌)	38	General Manager	1 July 2012	1 October 2008	Oversees the marketing functions and property management functions of our Group	None
Ms. Yeo Swee Cheng (楊瑞清)	53	Chief Financial Officer	10 July 2015	18 May 2011	Finance related areas of our Group	None

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Kelvin Lim, age 40 is a Controlling Shareholder of the Group. Mr. Kelvin Lim has been appointed as an executive Director and chairman of the Company on 10 July 2014 and was last re-elected on 23 January 2017. Mr. Kelvin Lim is currently the group managing Director, the executive chairman and a member of the Nominating Committee, and also a director of all of our subsidiaries other than MQ Furnishing, HLA Holdings (Thailand) and HLA Container Services (Thailand). He has 19 years of experience in the property leasing business, including over ten years of experience in the logistics services and facilities management business. Mr. Kelvin Lim started his career in HN Holdings Pte. Ltd. (formerly known as Hean Nerng Holdings Pte. Ltd.), a property management company, as a manager in July 1997, and subsequently promoted to the position of executive director in November 1998. Mr. Kelvin Lim joined the Group in February 2001 and is primarily responsible for the business development and overall management of the Group. He also oversees the Group's investment activities, operations and marketing efforts.

Mr. Kelvin Lim has also been appointed a patron of the Bukit Batok East Citizen's Consultative Committee since January 2016, chairman of the Bukit Batok East Community Development Welfare Fund since September 2014, consultant to the Youth Wing and vice chairman of the Singapore Lim See Tai Chong Soo Kiu Leong Tong Family Self-management Association since 2017, member of the Lions Club of Singapore Nee Soon Mandarin since September 2004 and member of the general council of the National Arthritis Foundation of Singapore since December 2013. He was awarded the public service medal (Pingat Bakti Masyarakat) in 2012 for his contributions to society.

Below is a list of companies which has been struck off or applied to be struck off when Mr. Kelvin Lim was a director of such company or within 12 months after his ceasing to act as a director of such company:

<u>Name of company</u>	<u>Place of incorporation</u>	<u>Nature of business</u>	<u>Date of cessation of being a director</u>	<u>Status date</u>	<u>Status</u>
SRM Capital Pte. Ltd.	Singapore	Business and management consultancy services	18 February 2015	18 February 2015 ⁽¹⁾	Struck off
Luiz Fernando (Asia) Pte. Ltd.	Singapore	Fashion (including accessories) design services	8 July 2013	8 July 2013 ⁽¹⁾	Struck off
Epika Pte. Ltd.	Singapore	Business and management consultancy services	9 March 2017	9 March 2017 ⁽¹⁾	Struck off
Competent Builders Pte. Ltd.	Singapore	General contractors (building construction including major upgrading works)	5 June 2017	5 June 2017 ⁽¹⁾	Struck off

DIRECTORS AND SENIOR MANAGEMENT

<u>Name of company</u>	<u>Place of incorporation</u>	<u>Nature of business</u>	<u>Date of cessation of being a director</u>	<u>Status date</u>	<u>Status</u>
LHN Automobile	Singapore	Storage, pre-delivery inspection and delivery services for motor vehicles	N/A	29 September 2017 ⁽²⁾	Gazetted to be struck off
Automobile Pre Delivery Base	Singapore	Storage, pre-delivery inspection and delivery services for motor vehicles	N/A	29 September 2017 ⁽²⁾	Gazetted to be struck off

Notes:

- (1) Date of striking off of the company.
- (2) We have applied for the striking off of the company and the application has been approved by ACRA on 29 September 2017. The striking off application was gazetted on 8 November 2017, and the company will be automatically struck off 60 days after the application being gazetted if no objection is raised.

Regarding the companies listed in the table above, Mr. Kelvin Lim confirmed that (i) SRM Capital Pte. Ltd., Luiz Fernando (Asia) Pte. Ltd. and Epika Pte. Ltd. were companies incorporated for potential business opportunities with third parties which did not materialize and never commenced business; (ii) Competent Builders Pte. Ltd. and LHN Automobile were subsidiaries of our Group which no longer carry on any business; (iii) Automobile Pre Delivery Base was a joint venture of our Group which no longer carry on any business; (iv) all companies were struck off or to be struck off because they became dormant, and the striking offs were merely to close down dormant companies and for cost saving; (v) all companies were solvent at the time of striking off or as at the Latest Practicable Date, as the case maybe; (vi) none of these companies was involved in any claims or litigation; and (vii) there was not any wrongful act on the part of Mr. Kelvin Lim in his capacity as the director of these companies. Please see “B. Salient Provisions of the Laws of Singapore — Winding Up, Striking Off and Dissolution” in Appendix IV to this prospectus for details of striking off a company in Singapore.

Ms. Jess Lim, age 43 is a Controlling Shareholder of the Group. Ms. Jess Lim has been appointed as an executive Director of the Company 10 July 2014 and was last re-elected on 28 January 2016. Ms. Jess Lim is currently the group deputy managing Director and a director of all of our subsidiaries other than LHN Xiamen, MQ Furnishing, PT HN Group, PT Hub Hijau and LHN Parking HK. She has over 20 years of extensive and varied experience in business and supply chain management, comprising of over 15 years of experience in the leasing and facilities management business, and over ten years of experience in the logistics services business. Prior to joining the Group, Ms. Jess Lim was a planner with Hewlett Packard Singapore (Private) Limited between 1996 and 2002, where she was responsible for the scheduling of the worldwide production plans of ink cartridges. She joined the Group in 2002 and is primarily responsible for the corporate development and overall administration for the Group and oversees the Group’s finance, human resource, information systems and administration functions.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Jess Lim graduated with a Bachelor of Business Administration degree from the National University of Singapore in August 1996. She also obtained an Executive Diploma in Directorship from the Singapore Management University and the Singapore Institute of Directors in June 2015.

Below is a list of companies which has been struck off or applied to be struck off when Ms. Jess Lim was a director of such company or within 12 months after her ceasing to act as a director of such company:

<u>Name of company</u>	<u>Place of incorporation</u>	<u>Nature of business</u>	<u>Date of cessation of being a director</u>	<u>Status date</u>	<u>Status</u>
SRM Capital Pte. Ltd.	Singapore	Business and management consultancy services	18 February 2015	18 February 2015 ⁽¹⁾	Struck off
Luiz Fernando (Asia) Pte. Ltd.	Singapore	Fashion (including accessories) design services	8 July 2013	8 July 2013 ⁽¹⁾	Struck off
Competent Builders Pte. Ltd.	Singapore	General contractors (building construction including major upgrading works)	5 June 2017	5 June 2017 ⁽¹⁾	Struck off
LHN Automobile	Singapore	Storage, pre-delivery inspection and delivery services for motor vehicles	N/A	29 September 2017 ⁽²⁾	Gazetted to be struck off

Note:

- (1) Date of striking off of the company.
- (2) We have applied for the striking off of the company and the application has been approved by ACRA on 29 September 2017. The striking off application was gazetted on 8 November 2017, and the company will be automatically struck off 60 days after the application being gazetted if no objection is raised.

Regarding the companies listed in the table above, Ms. Jess Lim confirmed that (i) SRM Capital Pte. Ltd. and Luiz Fernando (Asia) Pte. Ltd. were companies incorporated for potential business opportunities with third parties which did not materialize and never commenced business; (ii) Competent Builders Pte. Ltd. and LHN Automobile were subsidiaries of our Group which no longer carry on any business; (iii) all companies were struck off or to be struck off because they became dormant, and the striking offs were merely to close down dormant companies and for cost saving; (iv) all companies were solvent at the time of striking off or as at the Latest Practicable Date, as the case maybe; (v) none of these companies was involved in any claims or litigation; and (vi) there was not any wrongful act on the part of Ms. Jess Lim in her capacity as the director of these companies. Please see “B. Salient Provisions of the Laws of Singapore — Winding Up, Striking Off and Dissolution” in Appendix IV to this prospectus for details of striking off a company in Singapore.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Ms. Ch'ng Li-Ling, age 46, has been appointed as an independent non-executive Director on 10 March 2015 and re-elected on 28 January 2016. Ms. Ch'ng is our lead independent Director for the purposes of the Catalist Listing Manual. She is currently the chairlady of the Remuneration Committee and member of the Audit Committee and the Nominating Committee. Ms. Ch'ng has been a partner in the capital markets practice of RHTLaw Taylor Wessing LLP (“**RHT Law**”), a Singapore law firm, since May 2011. For 17 years, Ms. Ch'ng has been a corporate practitioner whose areas of practice include corporate and securities laws, capital markets, mergers and acquisitions, regulatory compliance and corporate governance advisory. She has been named one of AsiaLaw Leading Lawyers in 2014 and 2015 (Capital Markets), and was recognised as ‘Leading Lawyers’ in the 2011, 2013–2017 editions of International Financial Law Review 1000 (IFLR1000).

Ms. Ch'ng started her career as a legal associate at Wee Ramayah & Partners from 1997 to 1998 and as a legal associate at Edmond Pereira Law Corporation (previously known as Edmond Pereira & Partners) between 1998 and 2000. She was a legal associate at Loo & Partners between 2000 and 2001, and joined KhattarWong LLP (previously known as KhatterWong & Partners) in 2001 where she worked till 2011. Her last-held position at KhattarWong LLP was a partner of its Corporate and Securities department. She is currently also an independent director of SGX-ST listed DeClout Limited and Anchor Resources Limited. Ms. Ch'ng has been a member of the Singapore Academy of Law since 1997, a legal practitioner (non-practising) of New South Wales, Australia since 2002 and a qualified solicitor of England and Wales since 2009. Ms. Ch'ng was appointed adjunct assistant professor by the Faculty of Law of the National University of Singapore for a semester each in the academic years 2009/2010 and 2011/2012.

Ms. Ch'ng graduated with a Bachelor of Arts (Honours) degree from National University of Singapore in July 1994 and obtained her Bachelor of Laws (Honours) (distance learning) and Master of Laws (Merit) (distance learning) from the University of London, United Kingdom in August 1995 and August 2011, respectively.

During the Track Record Period, we have engaged RHT Law to provide certain legal services to us. For the 12 months prior to Ms. Ch'ng's appointment as independent non-executive Director on 10 March 2015 and up to 30 June 2017, we paid a total of approximately S\$60,000 to RHT Law for the services rendered. Ms. Ch'ng was not involved in the provision of such advice. The partner(s)-in-charge of the relevant advice was/were other partner(s) at RHT Law. Since 1 April 2017, we have not engaged RHT Law for any advice. Furthermore, we confirm we will not engage RHT Law for any further legal advice going forward as long as Ms. Ch'ng is an independent non-executive Director and a partner of RHT Law. As such, our Directors (other than Ms. Ch'ng) are of the view that this transaction does not affect Ms. Ch'ng's independence under Rule 3.13(3) of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Below is a list of companies which has been struck off when Ms. Ch'ng was a director of such company or within 12 months after her ceasing to act as a director of such company:

<u>Name of company</u>	<u>Place of incorporation</u>	<u>Nature of business</u>	<u>Date of cessation of being a director</u>	<u>Status date</u>	<u>Status</u>
Transwitch Asia Pte. Ltd.	Singapore	Telecommunications activities and cyber cafes	28 October 2005	28 October 2005 ⁽¹⁾	Struck off
UCB Media Singapore Limited	Singapore	Printing of periodicals books and magazines	9 October 2013	9 October 2013 ⁽¹⁾	Struck off

Note:

(1) Date of striking off of the company.

Mr. Eddie Yong, age 64, has been appointed as an independent non-executive Director of the Company on 10 March 2015 and re-elected on 28 January 2016. Mr. Eddie Yong is currently the chairman of the Nominating Committee and member of the Audit Committee and the Remuneration Committee. He has been the managing partner of Equity & Land LLP since September 2013, a limited liability partnership that provides advisory services in equities and real-estate investments.

Mr. Eddie Yong has 40 years' experience in the real estate business ranging from land acquisition, planning and development, marketing and asset management. He started his career as a land officer and centre manager responsible for land acquisition and property management at the Urban Redevelopment Authority of Singapore between July 1977 and February 1985, was a property and marketing manager responsible for marketing, leasing and management of properties at Tong Eng Brothers Group, a real estate development and investment company, between February 1985 and February 1987, a director and then a partner at Knight Frank Property Consultancy, a real estate consultancy company, between March 1987 and July 1996, Mr. Eddie Yong held the positions of a director of marketing and business development between August 1996 and December 2004, a deputy chief officer between January 2005 and January 2008, a chief operating officer of the corporate real estate business group and executive director of Far East Organization between July 2008 and December 2011, and an executive director of investment properties of Far East Organization between January 2012 and July 2013 at the Far East Organization. He also served as an executive director between July 2008 to April 2012 at SGX-ST listed Far East Orchard Limited (formerly Orchard Parade Holdings Limited).

Mr. Eddie Yong was the deputy chairman of the industry and development committee and board member of the Singapore Corporation of Rehabilitative Enterprises between September 1996 and August 2013. He served as the management committee member of Real Estate Developers' Association of Singapore between 1997 and 2009, holding various positions including honorary treasurer and honorary secretary. Mr. Eddie Yong was awarded the public service medal (Pingat Bakti Masyarakat) in 2010 for his public service contributions.

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Mr. Eddie Yong holds a Master of Science (Property and Maintenance Management) degree from the National University of Singapore in March 1992 and a Bachelor of Science (Honours) degree in Urban Estate Management from Liverpool John Moores University (previously known as Liverpool Polytechnic), United Kingdom in July 1983. He has professional affiliations with the Singapore Institute of Surveyors & Valuers since 1986, The Chartered Institute of Marketing since 1989 and the Institute of Real Estate Management (USA) since 1994.

Below is a list of companies which has been struck off when Mr. Eddie Yong was a director of such company or within 12 months after his ceasing to act as a director of such company:

<u>Name of company</u>	<u>Place of incorporation</u>	<u>Nature of business</u>	<u>Date of cessation of being a director</u>	<u>Status date</u>	<u>Status</u>
Kzones.com Pte Ltd	Singapore	Publishing of directories and mailing lists, development of software and programming activities	1 August 2014	21 April 2015 ⁽¹⁾	Struck off

Note:

(1) Date of striking off of the company.

Mr. Chan Ka Leung Gary, aged 44, was appointed as an independent non-executive Director on 5 June 2017. Mr. Chan is the chairman of our Audit Committee and a member of the Remuneration Committee and the Nominating Committee. He is a seasoned finance executive and an entrepreneur. He has advised companies across various disciplines and industries including consumer products and services, financial services, food and beverage, logistics, media, renewable energy, recruitment services, and technology. In 2014, he joined CFO (HK) Limited, a company licensed by The CFO Centre Group Limited to provide services of time-shared chief financial officers to client companies in the Greater China region and is currently the Greater China chief executive officer.

Mr. Chan was also the corporate finance director of TNG (Asia) Limited, a financial technology company based in Hong Kong, between April 2015 and February 2017. He has assisted in the company's successful application of the stored value facility licence to the Hong Kong Monetary Authority ("HKMA"), with the licence being granted in August 2016. During the process, Mr. Chan has overseen the process of fulfilling all the necessary business requirements set out by the HKMA including internal controls and placement of its senior management team.

From August 2009 to August 2013, Mr. Chan was a partner at Creat Capital Company Limited ("Creat"), a company that focuses on private equity investments. During his tenure, Mr. Chan reported to the board of directors and was involved in the origination of corporate advisory and corporate finance transactions for Creat.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chan started his career with KPMG in Toronto, Canada in 1998 under that firm's real estate practice. In January 2001, he joined Deloitte Touche Tohmatsu in Hong Kong as an accountant under that firm's reorganisation services group and his last position held was manager before he moved to Deloitte & Touche Corporate Finance Ltd., a service company of Deloitte Touche Tohmatsu, as manager from June 2005 to March 2007. From March 2007 to February 2009 Mr. Chan assumed the position of an associate in the fixed income, currency and commodities division of Goldman Sachs (Asia) L.L.C. in Hong Kong.

Mr. Chan obtained a bachelor's degree in mathematics from the University of Waterloo in Ontario, Canada in May 1998 and a master's degree in accounting from the same university in October 1998. He obtained his Chartered Accountant designation in Canada in 2000.

General

Save as disclosed above, there is no other information relating to our Directors that needs to be disclosed under the requirements of Rule 13.51(2) of the Listing Rules.

SENIOR MANAGEMENT

Mr. Danny Wong, age 38, is the Group's general manager. He is primarily responsible for the marketing and property management functions of the Group. Mr. Wong plans, directs and coordinates with the marketing and property management departments and is involved in promoting the Group's projects, sourcing for potential customers and conducting negotiations with them. He has 12 years of experience in the real estate industry. Mr. Wong started his career in HN Holdings Pte. Ltd. (formerly known as Hean Nerng Holdings Pte. Ltd.), a property management company, as a management trainee in February 2005 after which he rose through the ranks and was promoted to marketing manager in April 2007. He was later transferred to the Group in 2008 and subsequently became the Group's assistant general manager in July 2010 before advancing to his current position in June 2012.

Mr. Wong has a Bachelor of Science (Honours) degree in Real Estate from the National University of Singapore in June in 2004.

Ms. Yeo Swee Cheng, age 53, is the Group's chief financial officer. She is primarily responsible for all finance related areas of the Group including its treasury, audit and taxation functions. Ms. Yeo supports the management on all strategic and financial planning matters in relation to the Group's business to ensure sound management of the Group's funds. She has over 15 years of extensive experience in financial accounting, corporate finance, treasury and taxation matters, having previously worked with Reinsurance Management Corporation of Asia Pte. Ltd., initially as a trainee accounts executive and thereafter, as an accounts executive from August 1986 to June 1988; Leslie & Godwin Limited, a reinsurance broker, as an accountant from June 1988 to June 1989; Anchor Electronics Corporation Pte Ltd, an electronics company, as an accountant from July 1989 to October 1990; GP Batteries International Limited, a manufacturer of batteries, as an accountant and subsequently an accounting manager from October 1990 to June 1995, Premier Taxis Pte. Ltd., a taxi rental company, as an accountant from April 2009 to December 2010; and

DIRECTORS AND SENIOR MANAGEMENT

Premier Corporation Pte. Ltd., the holding company of Premier Taxis Pte. Ltd., as an accounts manager from January 2011 to May 2011. Ms. Yeo joined the Group as group finance manager in May 2011 and was promoted to group financial controller in July 2014, before advancing to her current position in July 2015.

Ms. Yeo has a Bachelor Degree in Accountancy from National University of Singapore in June in 1986 and has been a member of the Institute of Singapore Chartered Accountants since September 1990.

JOINT COMPANY SECRETARY

Mr. Leong Chee Meng, Kenneth and Mr. Ng Chit Sing are the joint company secretaries of our Company.

Mr. Leong Chee Meng, Kenneth has been employed by Boardroom Corporate & Advisory Services Pte. Ltd since July 2014. Mr. Leong currently holds the position of corporate secretarial manager and is responsible for the provision of corporate secretarial services to both non-listed and listed companies in Singapore. Boardroom Corporate & Advisory Services Pte. Ltd. is a wholly-owned subsidiary of Boardroom Limited. Boardroom Limited is listed on the main board of the SGX-ST and primarily provide services in the areas of corporate secretarial, share registration, accounting and taxation services.

Mr Leong holds a degree in Accountancy from the Nanyang Technological University, Singapore in 2003 and is a Chartered Accountant in Singapore. Mr. Leong currently acts as the company secretary of a number of companies listed on the SGX-ST.

Mr. Leong is residing locally in Singapore and possesses the required qualifications to satisfy the required under section 171 (AA) of the Singapore Companies Act.

Mr. Ng Chit Sing, was appointed as our company secretary in Hong Kong on 7 June 2017. He is the founder and Chief Executive Officer of IN Corporate Services Limited specialising in the provision of corporate secretarial services to listed issuers and private companies.

From February 2016 to present, Mr. Ng was the named company secretary of AL Group Limited, a company listed on the GEM (Stock code: 8360). From May 2015 to present, Mr. Ng was the named company secretary of Yestar International Holdings Company Limited (formerly known as Yestar Healthcare Holdings Company Limited), a company listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 2393). Mr. Ng served as a Senior Company Secretarial Manager of SMI Culture & Travel Group Holdings Limited (formerly known as SMI Culture Group Holdings Limited and Qin Jia Yuan Media Services Company Limited) (Stock code: 2366), a company listed on the Main Board of the Hong Kong Stock Exchange from April 2010 to November 2010 and was appointed as company secretary from December 2010 to September 2011. Mr. Ng served as a director of BMS Corporate Services Limited, a corporate secretary firm, for the

DIRECTORS AND SENIOR MANAGEMENT

period from November 2011 to October 2013. From February 2017 to present, Mr. Ng was appointed as the company secretary of Takbo Group Holdings Limited, a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange (Stock code: 8436).

Mr. Ng was admitted as an associate member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in England in July 2000. Mr. Ng received a Bachelor's Degree in Social Sciences from Lingnan College in 1996 and a Bachelor's Degree in Laws which was a long distance course from the University of London in August 2008.

BOARD COMMITTEES

Audit Committee

We established the Audit Committee on 17 March 2015 with written terms of reference. The terms of reference have been amended with effect from the Listing Date to comply with the Listing Rules. The duties of the Audit Committee include reviewing, in draft form, our annual report and accounts, half-year report and quarterly report and providing advice and comments to the Board. In this regard, members of the Audit Committee will liaise with the Board, our senior management, our reporting accountants and auditors. The Audit Committee will also consider any significant or usual items that are, or may need to be, reflected in such reports and accounts and give consideration to any matters that have been raised by our accounting staff, compliance officers or auditors. Members of the Audit Committee are also responsible for reviewing our Company's financial reporting process and internal control system.

The Audit Committee comprises three independent non-executive Directors, namely Ms. Ch'ng Li-Ling, Mr. Eddie Yong and Mr. Chan Ka Leung Gary. Mr. Chan Ka Leung Gary is the chairman of the Audit Committee.

Remuneration Committee

We established the Remuneration Committee on 17 March 2015 which, at present, comprises three independent non-executive Directors, namely Ms. Ch'ng Li-Ling, Mr. Eddie Yong and Mr. Chan Ka Leung Gary. Ms. Ch'ng Li-Ling is the chairlady of the Remuneration Committee. The terms of reference have been amended with effect from the Listing Date to comply with paragraph B.1 of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules have been adopted. Amongst other things, the primary duties of the Remuneration Committee are to determine the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of independent non-executive Directors.

DIRECTORS AND SENIOR MANAGEMENT

Nominating Committee

We established the Nominating Committee on 17 March 2015 with written terms of reference. The Nominating Committee comprises one executive Director, namely Mr. Kelvin Lim, and three independent non-executive Directors, namely Ms. Ch'ng Li-Ling, Mr. Eddie Yong and Mr. Chan Ka Leung Gary. Mr. Eddie Yong is the chairman of the Nominating Committee. The terms of reference have been amended with effect from the Listing Date to comply with paragraph A.5 of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules have been adopted. The Nominating Committee is mainly responsible for making recommendations to the Board on appointment of Directors and succession planning for our Directors.

REMUNERATION POLICY

We value our employees and recognise the importance of a good relationship with our employees. The remuneration to our employees includes salaries and allowances.

After the Listing, our Directors and senior management may also receive options to be granted under the Share Option Scheme. For further details of the Share Option Scheme, please refer to “Statutory and General Information — E. The LHN Performance Share Plan and Share Option Scheme — The Share Option Scheme” in Appendix VI to this prospectus.

Our Group offers competitive remuneration packages to our Directors, the aggregate amounts of emoluments (including fees, salaries and other benefits, performance related bonus and retirement benefit scheme contribution) paid to our Directors for the years ended 30 September 2014, 2015 and 2016, and nine months ended 30 June 2017 were S\$1,037,000, S\$1,351,000, S\$1,736,000 and S\$924,000, respectively. The five individual whose emoluments (including fees, salaries and other benefits, performance related bonus and retirement benefit scheme contribution) were the highest in the Group for the years ended 30 September 2014, 2015 and 2016, and nine months ended 30 June 2017 include two, two, two, two Directors, respectively. The emoluments (including fees, salaries and other benefits, performance related bonus and retirement benefit scheme contribution) payable to the remaining three individuals during the years ended 30 September 2014, 2015 and 2016 and the nine months ended 30 June 2017, respectively were S\$821,000, S\$513,000, S\$683,000 and S\$536,000, respectively.

We have not paid any remuneration to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office during the Track Record Period. Furthermore, none of our Directors had waived any remuneration during the Track Record Period. The primary goal of the remuneration policy with regard to the remuneration packages of our Directors is to enable us to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved. The principal elements of our Group's Directors remuneration packages include basic salaries and discretionary bonuses.

DIRECTORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISER

In accordance with Rule 3A.19 of the Listing Rules, our Company has appointed Fortune Financial Capital Limited as its compliance adviser. Pursuant to Rule 3A.23 of the Listing Rules, our Company will consult with and seek advice from the compliance adviser on a timely basis in the following circumstances:

- (1) before the publication of any regulatory announcement, circular or financial report;
- (2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- (3) where our Company proposes to use the proceeds of the Listing in a manner different from that detailed in this prospectus or where the business activities, developments or results of our Group deviate from any forecast, estimate, or other information in the listing document; and
- (4) where the Hong Kong Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of appointment of the compliance adviser of our Company shall commence on the Listing Date and end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

CORPORATE GOVERNANCE

Under code provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Our Group does not have the role of chief executive officer but has the role of managing Director, which is responsible for the day-to-day management of business and currently performed by Mr. Kelvin Lim, who is also the executive chairman of our Board. Throughout our business history, Mr. Kelvin Lim has held the key leadership position of our Group since 1998 and has been deeply involved in the formulation of corporate strategies and management of business and operations of our Group. Taking into account the consistent leadership within our Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, our Directors (including our independent non-executive Directors) consider that Mr. Kelvin Lim is the best candidate for both positions and the present arrangements are beneficial and in the interests of our Group and our Shareholders as a whole. Our Directors will review our corporate governance policies and compliance with the Corporate Governance Code each financial year and comply with the “comply or explain” principle in our corporate governance report which will be included in our annual reports after Listing.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, 76.2945% of our Shares are held by Fragrance Ltd, which in turn is wholly-owned by HN Group. HN Group, in turn, is owned as to 85% by HN Capital, 10% by Ms. Jess Lim and 5% by Mr. Kelvin Lim. The entire issued share capital of HN Capital is held by LHN Capital as trustee of The LHN Capital Trust, and the entire issued share capital of LHN Capital is held by Trident Trust as trustee of The Land Banking Trust. The protectors of The LHN Capital Trust and The Land Banking Trust are Mr. Kelvin Lim, Ms. Jess Lim and Ms. Lim Bee Li, the sister of Mr. Kelvin Lim and Ms. Jess Lim. Ms. Lim Bee Li is an advocate and practising solicitor in Singapore and has no involvement in the business operations of our Group and monitors the administration of The Land Banking Trust and The LHN Capital Trust in her capacity of protectors together with Mr. Kelvin Lim and Ms. Jess Lim.

Mr. Kelvin Lim, Ms. Jess Lim and Ms. Lim Bee Li, as protectors of The Land Banking Trust, have the power to appoint new trustee(s) in place of the current trustee or remove the existing trustee even though they have no power to interfere with the trustees' exercise of powers under the trust. Furthermore, the trustee of The LHN Capital Trust must obtain prior written consents from Mr. Kelvin Lim, Ms. Jess Lim and Ms. Lim Bee Li as protectors of trust to, among other things, pay or apply income or capital, add or exclude beneficiaries and to appoint or vary trusts powers. As such, for the purpose of the Listing and under the Listing Rules, Fragrance Ltd, HN Group, HN Capital, Mr. Kelvin Lim, Ms. Jess Lim and Ms. Lim Bee Li are considered our Controlling Shareholders. Immediately after completion of the Global Offering, the Controlling Shareholders, namely, Fragrance Ltd, HN Group, HN Capital, Mr. Kelvin Lim, Ms. Jess Lim and Ms. Lim Bee Li, will control the exercise of voting rights of 68.3323% of the Shares eligible to vote in the general meeting of our Company (assuming that none of the options to be granted under the Share Option Scheme is exercised). None of our Controlling Shareholders or their respectively associates has any interest in any company which may, directly or indirectly, compete with the business of our Group as at the Latest Practicable Date.

For details of our controlling shareholders in Singapore, please see "History and Corporate Structure — Our Catalist Listing — Our Controlling Shareholders in Singapore" in this prospectus.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, we believe that our Group is capable of carrying on its business independently of our Controlling Shareholders and their respective close associates after the Listing:

Management Independence

Our Board comprises two executive Directors and three independent non-executive Directors. Mr. Kelvin Lim and Ms. Jess Lim, our Controlling Shareholders, are our executive Directors. Mr. Kelvin Lim, Ms. Jess Lim, Ms. Lim Bee Li, Fragrance Ltd, HN Group and HN Capital have entered into the Deed of Non-Competition in favour of our Group. Please see the paragraph headed “—Deed of Non-Competition” in this section below for further details.

Save as disclosed above, no other Controlling Shareholder holds any directorship in our Group. Each of our Directors is aware of his or her fiduciary duties as a Director of our Company which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum. In addition, we have an independent senior management team to carry out the business decisions of our Group independently.

Having considered the above factors, our Directors are satisfied that they are able to perform their roles in our Company independently, and our Directors are of the view that we are capable of managing our business independently from the Controlling Shareholders after the Listing.

Operational Independence

Our Company makes business decisions independently of our Controlling Shareholders. On the basis of the following reasons, our Directors consider that our Group will continue to be operationally independent from our Controlling Shareholders and their respective close associates:

- (i) our Group has established its own organisational structure made of individual departments each with specific administrative and corporate governance infrastructure;
- (ii) our Group is the holder of all relevant licences and trademarks material to the operation of our business and has sufficient capital, equipment and employees to operate our business independently;
- (iii) our Controlling Shareholders have no interest in any of our top five suppliers and customers; we do not rely on our Controlling Shareholders or their close associates and have independent access to suppliers and customers; and

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (iv) our Group has established a set of internal control procedures independent from our Controlling Shareholders to facilitate the effective operation of our business.

On the basis of the matters described in this section, our Directors are of the view, and the Sole Sponsor concurs, that our Group is capable of carrying on our business independently of the Controlling Shareholders and their respective close associates.

Financial Independence

Our Group has an independent financial system and makes financial decisions according to our Group's own business needs. Our Group has sufficient capital to operate our Group's business independently, and has adequate internal resources and a strong credit profile to support its daily operations. During the Track Record Period, our Group relies principally on cash generated from operations to carry on its business and it is expected to continue after the Listing. Therefore, our Group has no financial dependence on our Controlling Shareholders and their respective close associates.

DEED OF NON-COMPETITION

Mr. Kelvin Lim, Ms. Jess Lim, Ms. Lim Bee Li, Fragrance Ltd, HN Group and HN Capital (the "**Covenantors**", each a "**Covenantor**") have entered into the Deed of Non-Competition in favour of our Group, pursuant to which each of them had irrevocably undertaken with our Company on joint and several basis (for itself and as trustee for each of our subsidiaries) that he/she/it would not, and would procure his/her/its associates would not, during the restricted period set out below, directly or indirectly, either on his own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, principal, agent, director, employee or otherwise) (other than through the Group) any business which is or may be in competition with the business of any member of our Group from time to time (the "**Restricted Business**").

Such non-competition undertaking does not apply where:

- (a) any opportunity to invest, participate, be engaged in and/or operate any Restricted Business has first been offered or made available by the Covenantors and/or their respective close associates to us, and after decision by our independent non-executive Directors and approval by our Board and/or Shareholders as required under the relevant laws and regulations (including but not limited to the Listing Rules and the Catalist Listing Manual) and in accordance with our Constitution, we have declined in writing such opportunity to invest, participate, be engaged in or operate the Restricted Business or do not give any written notice of our desire to invest in such opportunity within 30 business days of receipt of notice from the Covenantors, and that the principal terms by which the Covenantors (or their respective close associates) subsequently invests, participates, engages in or operates the Restricted Business are no more favourable than those offered to the member of our Group.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (b) a Covenantor has interests in the shares of a company which shares are listed on a recognised stock exchange provided that the total number of the shares held by him/her/its and/or his/her/its associates in aggregate does not exceed 5% of the issued shares of that class of the company in question and he/she/it and/or his/her/its associates are not entitled to appoint a majority of the directors of that company and at any time there should exist at least another shareholder of that company whose shareholdings in that company should be more than the total number of shares held by him/her/it and his/her/its associates in aggregate.

The “restricted period” stated in the Deed of Non-Competition refers to the period during which (i) our Shares remain listed and traded on the Hong Kong Stock Exchange; (ii) in relation to each Covenantor, the Covenantor or his/its associates continue to hold equity interest in our Company; and (iii) in relation to each Covenantor, the Covenantor, taken into account the interests of his/its associates, is considered a substantial shareholders of the Company.

CORPORATE GOVERNANCE MEASURES

Pursuant to the Deed of Non-Competition, our Company will adopt the following measures to manage the conflict of interests arising from the competing business and to safeguard the interests of our Shareholders:

- (a) our independent non-executive Directors will review, on an annual basis, the compliance with the undertaking given by our Controlling Shareholders under the Deed of Non-Competition;
- (b) each of our Controlling Shareholders undertakes to provide all information requested by our Company which is necessary for the annual review by our independent non-executive Directors and the enforcement of the Deed of Non-Competition;
- (c) our Company will disclose decisions on matters reviewed by our independent non-executive Directors relating to compliance and enforcement of the non-compete undertaking of our Controlling Shareholders under the Deed of Non-Competition;
- (d) each of our Controlling Shareholders will make an annual declaration on compliance with their undertaking under the Deed of Non-Competition in the annual reports of our Company; and
- (e) the Constitution provided that a Director shall absent himself/herself from participating in Board meetings (nor shall he/she be counted in the quorum) and voting on any resolution of the Board approving any contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested unless a majority of the independent non-executive Directors expressly requested him/her to attend.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Further, save as disclosed herein, each of our Directors and Controlling Shareholders confirms that he or she or it does not have any competing business with our Group (except their respective interests in our Group). Moreover, pursuant to their respective service agreements, our executive Directors will not at any time during their terms of service with our Group without the prior written consent of the Board be or become a director of any company (other than our Company, any other member of our Group, our joint ventures or our associated companies) or be engaged, concerned or interested directly or indirectly in any other business, trade or occupation.

In addition, if our independent non-executive Directors consider it necessary or desirable, they may also engage professional advisers at the cost of our Company to advise them on matters relating to any Deed of Non-Competition or any business opportunities which may be referred to us by our Controlling Shareholders.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately after the completion of the Global Offering (without taking into account of any Shares which may be allotted and issued pursuant to any exercise of any options that may be granted under the Share Option Scheme, or any Shares which may be issued or repurchased by the Company pursuant to the general mandate), the following persons will have an interest or a short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of our Company or any of our subsidiaries:

Name of shareholder	Capacity/Nature of Interest	Number of Shares held/ interested	Approximate percentage of shareholding immediately following completion of the Global Offering
Fragrance Ltd ⁽¹⁾	Beneficial owner	275,000,000	68.3323%
Mr. Kelvin Lim ⁽¹⁾⁽²⁾	Founder of discretionary trusts	275,000,000	68.3323%
Ms. Wang Jialu ⁽¹⁾⁽³⁾	Deemed interest by virtue of interest held by spouse	275,000,000	68.3323%
HN Group ⁽¹⁾⁽²⁾	Interest in a controlled corporation	275,000,000	68.3323%
HN Capital ⁽¹⁾⁽²⁾	Interest in a controlled corporation	275,000,000	68.3323%
LHN Capital ⁽¹⁾⁽²⁾	Trustee	275,000,000	68.3323%
Trident Trust Company (B.V.I.) Limited ⁽¹⁾⁽²⁾	Trustee	275,000,000	68.3323%
Mr. HN Lim ⁽¹⁾⁽²⁾	Founder of discretionary trusts	275,000,000	68.3323%
Mdm. Foo Siau Foon ⁽¹⁾⁽²⁾	Founder of discretionary trusts	275,000,000	68.3323%

Notes:

1. Fragrance Ltd, which is wholly-owned by HN Group, which in turn is owned as to 5% by Mr. Kelvin Lim, 10% by Ms. Jess Lim and 85% by HN Capital, is the beneficial owner of 275,000,000 Shares. By virtue of the SFO, Mr. Kelvin Lim, Ms. Wang Jialu, HN Group, HN Capital, LHN Capital, Trident Trust Company (B.V.I.) Limited, Mr. HN Lim and Mdm. Foo Siau Foon are deemed to be interested in all of the Shares held by Fragrance Ltd.
2. Mr. HN Lim, Mdm. Foo Siau Foon and Mr. Kelvin Lim are the founders of The LHN Capital Trust and The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, in its capacity as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital. LHN Capital, in its capacity as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital, which in turn holds 85% of the total issued share capital of HN Group. HN Group holds the entire issued share capital of Fragrance Ltd. Mr. HN Lim, Mdm. Foo Siau Foon and Mr. Kelvin Lim are deemed under the SFO to be interested in the Shares held by Trident Trust Company

SUBSTANTIAL SHAREHOLDERS

(B.V.I.) Limited and LHN Capital. Trident Trust Company (B.V.I.) Limited is deemed under the SFO interested in the interests held by LHN Capital. LHN Capital is deemed under the SFO interested in the interests held by HN Capital. HN Capital is deemed under the SFO interested in the interests held by HN Group. HN Group is deemed under the SFO interested in the interests held by Fragrance Ltd.

3. Ms. Wang Jialu, the spouse of Mr. Kelvin Lim, is deemed under the SFO to be interested in the interests held by Mr. Kelvin Lim.

Save as disclosed herein, our Directors are not aware of any other person who will, immediately following completion of the Global Offering (without taking into account any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme, or issued or repurchased by the Company pursuant to the general mandate), have an interest or a short position in any Shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of our Company or any of our subsidiaries.

CONNECTED TRANSACTIONS

CONTINUING CONNECTED TRANSACTIONS

We have entered into a number of continuing agreements and arrangements with our connected persons in our ordinary and usual course of business. Upon the Listing, the transactions disclosed in this section will constitute continuing connected transactions under the Listing Rules.

<u>Nature of transactions</u>	<u>Applicable Listing Rules</u>	<u>Waiver Sought</u>	<u>Proposed annual cap (S\$'000) for the year ending 30 September</u>		
			<u>2018</u>	<u>2019</u>	<u>2020</u>
Exempted continuing connected transactions					
Property leases	14A.34, 14A.52, 14A.53 to 59, 14A.76	N/A	200	0	0
Property management and facilities management services	14A.34, 14A.52, 14A.53 to 59, 14A.76	N/A	6	6	6

EXEMPTED CONTINUING CONNECTED TRANSACTIONS

Property Leases

As at the Latest Practicable Date, two of our subsidiaries separately leased one property to Cafe@Phoenix and one property to 9 Plus Cafe for their food and beverage business operations. Such leases shall continue upon the Listing and set out below are the details regarding two leases agreements (collectively “Cafe Lease Agreements”, each a “Cafe Lease Agreement”) entered into between our relevant subsidiaries on the one hand, and Cafe@Phoenix or 9 Plus Cafe on the other hand.

CONNECTED TRANSACTIONS

	Lessee	Lessor (name of our subsidiary)	Duration of the lease	Description and use of the property leased	Rental (per annum)	Historical amounts for (S\$'000)				Proposed annual cap for (S\$'000)			
						the year ended 30 September 2014	the year ended 30 September 2015	the year ended 30 September 2016	nine months ended 30 June 2017	the year ended 30 September 2017	the year ending 30 September 2018	the year ending 30 September 2019	the year ending 30 September 2020
1.	9 Plus Cafe	Soon Wing Investments	For a period of 12 months commencing on 31 March 2017 and ending on 30 March 2018	No. 2 Soon Wing Road #01-02 Soon Wing Industrial Building, Singapore 347893 with lettable area of 5,000 sq.ft. for canteen operations purpose	189,6 ⁽¹⁾ S\$132,000, plus applicable goods and services tax, facilities fees and fees based on electricity, water, gas and telecommunications usage	189,6 ⁽¹⁾	189,6 ⁽¹⁾	185,4 ⁽¹⁾	133,3 ⁽¹⁾	172,4 ⁽¹⁾	100	0	0
2.	Cafe@Phoenix	CEC Holdings	For a period of 24 months and 5 days commencing on 27 January 2016 and ending on 31 January 2018	260 Upper Bukit Timah Road #01-01, Singapore 588190 with lettable area of 3,474 sq.ft. for food & beverage and ancillary management office uses purposes	269,9 ⁽¹⁾ S\$243,874,8, plus applicable goods and services tax, facilities fees and fees based on electricity, water, gas and telecommunications usage	269,9 ⁽¹⁾	290,9 ⁽¹⁾	220,4 ⁽¹⁾	185,1	246,8	100	0	0

Notes:

- (1) Include rental payments under certain expired lease agreements entered into between the relevant parties with terms similar to the current subsisting Cafe Lease Agreements.

CONNECTED TRANSACTIONS

Principal Terms

Each of the Cafe Lease Agreements has a term of less than three years with expiry date mirrored from the master lease held by our relevant subsidiary. The rental payable per annum is decided by reference to the market rate as determined by independent accountant and/or valuer pursuant to applicable laws and regulations and the Listing Rules. Under the Cafe Lease Agreements, 9 Plus Cafe and Cafe@Phoenix shall pay their respective lessor, being our subsidiaries, the rent, facilities fees and fees based on electricity, water, gas and telecommunications usage on a monthly basis. In the event the master lease held by our subsidiary is terminated before the expiry date, our subsidiary shall have the right to terminate the relevant Cafe Lease Agreement. Under the Cafe Lease Agreements, 9 Plus Cafe and Cafe@Phoenix are not allowed to assign or sub-let the leased property.

Listing Rules Implications

Cafe@Phoenix is owned as to 100% by Mr. Pang Joo Siang. Mr. Pang Joo Siang is the spouse of Ms. Jess Lim and therefore is an immediate family member of Ms. Jess Lim under Rule 14A.12(1)(a). Ms. Jess Lim is a Director and therefore is a connected person of our Company under Rule 14A.07(1). By virtue of Rule 14A.12(1)(c), Cafe@Phoenix is an associate of Ms. Jess Lim, and therefore a connected person of our Company under Rule 14A.07(4).

9 Plus Cafe is owned as to 50% by Mr. Pang Joo Kok. Mr. Pang Joo Kok is the brother-in-law of Ms. Jess Lim and therefore is an relative of Ms. Jess Lim under Rule 14A.21(1)(a). Ms. Jess Lim is a Director and therefore is a connected person of our Company under Rule 14A.07(1). By virtue of Rules 14A.07(6) and 14A.21(1)(b), 9 Plus Cafe is a deemed connected person of our Company.

We have estimated the annual rentals expected to be received from Cafe@Phoenix and 9 Plus Cafe for the years ending 30 September 2018, 2019 and 2020 in calculating the percentage ratios under the requirements of Rule 14A.77 of the Listing Rules based on the applicable rentals under the terms of the subsisting Cafe Lease Agreements. With respect to each of Cafe@Phoenix and 9 Plus Cafe, each of the applicable percentage ratios (other than the profit ratio) for such expected rental calculated will be less than 5% and the estimated total consideration is less than HK\$3 million. Therefore, the lease transactions contemplated under the Cafe Lease Agreements constitute de minimis connected transactions of our Company under Rule 14A.76 of the Listing Rules which are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. In the event any of the Cafe Lease Agreements is renewed or new lease is entered into between the relevant parties in the future, our Company will ensure compliance with the relevant Listing Rules.

Basis of the annual cap

The annual caps for the Cafe Lease Agreements for the years ending 30 September 2018, 2019 and 2020 are proposed to be S\$200,000, nil and nil, respectively, estimated based on the expected rental receivable as determined with reference to the applicable rentals under the terms of the subsisting Cafe Lease Agreements.

CONNECTED TRANSACTIONS

Views of the Sole Sponsor and our Directors

The Sole Sponsor and our Directors (including the independent non-executive Directors) consider that (i) the transactions contemplated under the Cafe Lease Agreements have been and will be entered into in the ordinary and usual course of business, on normal terms or better that are fair and reasonable, and in the interest of the Shareholders as a whole; and (ii) the proposed annual caps for the transactions contemplated under the Cafe Lease Agreements are fair and reasonable, and in the interests of the Shareholders as a whole.

Property Management and Facilities Management Services

With a view to provide property management and facilities management services to Cafe@Phoenix, our Company and Cafe@Phoenix entered into a property management and facilities management agreement dated 6 December 2017 (the “Property Management and Facilities Management Agreement”).

Principal Terms

Pursuant to the Property Management and Facilities Management Agreement, our Company agreed to provide or procure to be provided by the Group, from time to time as from the Listing Date, services in relation to property management and facilities management, including but not limited to building maintenance works, fitting out works, cleaning services, installation of security devices and provision of security services, for the property Cafe@Phoenix currently leases from us or any other properties that Cafe@Phoenix may operate at in the future whether leased from us or other third parties.

Such agreement is for an initial term of three years from the Listing Date and thereafter shall be automatically renewed for successive periods of three years subject to compliance with the relevant requirements of the Listing Rules, unless terminated by our Company or Cafe@Phoenix by not less than 30 days’ written notice. The term of the Property Management and Facilities Management Agreement with Cafe@Phoenix will not mirror the term of the Cafe Lease Agreement with Cafe@Phoenix as we may provide property management and facilities management services to other locations that Cafe@Phoenix may operate in the future, which may or may not be leased from us.

Listing Rules Implications

Cafe@Phoenix is a connected person of our Company under Rule 13A.07(4). See “Connected Transaction — Exempted Continuing Connected Transactions — Property Leases — Listing Rules Implications” for further details.

We have estimated the annual fees expected to be received from Cafe@Phoenix for the years ending 30 September 2018, 2019 and 2020 in calculating the percentage ratios under the requirements of Rule 14A.77 of the Listing Rules based on the historical transaction volume between our Group and Cafe@Phoenix and the rates of services offered by our Group to

CONNECTED TRANSACTIONS

Independent Third Parties. Each of the applicable percentage ratios (other than the profit ratio) for such expected fees calculated will be less than 5% and the estimated total consideration is less than HK\$3 million. Therefore, the transactions contemplated under the Property Management and Facilities Management Agreement constitute de minimis connected transactions of our Company under Rule 14A.76 of the Listing Rules which are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Basis of the annual cap

For the years ended 30 September 2014, 2015 and 2016, the nine months ended 30 June 2017 and the year ended 30 September 2017, the total service fee received by the Group from Cafe@Phoenix for property management and facilities management services provided were nil, S\$6,550, S\$5,590, S\$1,350 and S\$1,550, respectively. The annual caps for the Property Management and Facilities Management Agreement for each of the years ending 30 September 2018, 2019 and 2020 are proposed to be S\$6,000, S\$6,000 and S\$6,000, respectively, estimated based on the historical transaction volume between our Group and Cafe@Phoenix and the rates of services offered by the Group to Independent Third Parties.

SHARE CAPITAL

SHARE CAPITAL

Without taking into account of any Shares which may be allotted and issued under the LHN Performance Share Plan or pursuant to any exercise of any options that may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by our Company pursuant to the general mandate, the issued share capital of our Company immediately following the completion of the Global Offering will be as follows:

Issued share capital:		Approximate percentage of issued share capital (%)
360,445,400	Shares in issue as of the date of this prospectus	89.56
<u>42,000,000</u>	Shares to be issued pursuant to the Global Offering	<u>10.44</u>
<u>402,445,400</u>	Shares in total	<u>100.0</u>

Treasury Shares

As at 30 September 2014, 2015 and 2016 and 30 June 2017, we had nil, nil, 1,853,000 and 1,411,800 treasury Shares, respectively. On 30 November 2017, 1,411,800 Shares held by our Company as treasury Shares were cancelled pursuant to Section 76K of the Singapore Companies Act. After such cancellation and as at the Latest Practicable Date, our Company does not have any treasury Shares and will not have any treasury Shares upon the Listing.

RANKING

The Offer Shares are ordinary shares in the share capital of our Company and rank *pari passu* in all respects with all the Shares currently in issue or to be issued and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus.

LHN PERFORMANCE SHARE PLAN

We have adopted the LHN Performance Share Plan on 10 March 2015. As at the Latest Practicable Date, all awards granted under the LHN Performance Share Plan have been fully vested and there is no outstanding award under the LHN Performance Share Plan. Furthermore, our Company will not grant, issue or transfer any further awards or Shares under the LHN Performance Share Plan upon the Listing. The principal terms of the LHN Performance Share Plan are summarised in the section headed “Statutory and General Information — F. The LHN Performance Share Plan and Share Option Scheme” in Appendix VI of this prospectus.

SHARE CAPITAL

SHARE OPTION SCHEME

We have conditionally adopted the Share Option Scheme on 25 September 2017 and the principal terms of the Share Option Scheme are summarised in the section headed “Statutory and General Information — F. The LHN Performance Share Plan and Share Option Scheme” in Appendix VI of this prospectus.

Our Group did not have any outstanding share options, warrants, convertible instruments, or similar rights convertible into our Shares as at the Latest Practicable Date.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of our Company held on 23 January 2017, our Shareholders have passed a resolution (the “Resolution”) granting a general mandate (the “Share Issue Mandate”) to our Directors to:

- (i) issue Shares in the capital of our Company whether by way of rights, bonus or otherwise; and
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

provided that, the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to the Resolution) to be issued pursuant to the Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury Shares) in the capital of our Company, of which the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments made or granted pursuant to the Resolution) to be issued other than on a pro-rata basis to Shareholders of our Company shall not exceed 50% of the total number of issued Shares (excluding treasury Shares) in the capital of our Company.

For the purpose of determining the aggregate number of Shares that may be issued pursuant to the Share Issue Mandate, the total number of issued Shares (excluding treasury Shares) in the capital of our Company shall be based on the total number of issued Shares (excluding treasury Shares) in the capital of our Company at the time of the passing of the Resolution, after adjusting for:

- (a) new Shares arising from the conversion or exercise of any convertible securities;
- (b) new Shares arising from the exercising of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of the Resolution, provided the options or awards were granted in compliance with the Catalist Listing Manual; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares.

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The Share Issue Mandate shall, unless revoked or varied by our Company at a general meeting, continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is earlier.

For further details of the Share Issue Mandate, please refer to the section headed “Statutory and General Information — A. Further Information about Our Company — 4. Resolutions of the Shareholders passed at the annual general meeting of our Company held on 23 January 2017” in Appendix VI to this prospectus.

Notwithstanding the above, the Listing Rules provide that a general mandate obtained from shareholders of a listed issuer in general meeting shall be subject to a restriction that the aggregate number of shares allotted or agreed to be allotted under the general mandate must not exceed the aggregate of (i) 20% of the number of issued shares of the listed issuer on the date of the resolution granting the general mandate and (ii) the number of securities repurchased by the listed issuer since the granting of the general mandate (up to 10% of the shares of the listed issuer in issue on the date of passing the resolution to grant the general mandate) provided that the shareholders of the listed issuer have separately granted a general mandate to the directors of the listed issuer to add the repurchased securities to the 20% limit. As such, our Company shall comply with the requirements of the Listing Rules in relation to the issue of general mandate upon the Listing as the Listing Rules generally pose a more onerous requirement than the Catalist Listing Manual in this aspect.

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of our Company held on 23 January 2017, our Directors have been granted a general mandate (the “Share Buy-Back Mandate”) to exercise all the powers of our Company to purchase or otherwise acquire Shares not exceeding in aggregate 10% of the total number of issued Shares (excluding treasury Shares) at the date of grant of the Share Buy-Back Mandate, at such price or prices as may be determined by our Directors from time to time (subject to the Maximum Price as described below).

The Share Buy-Back Mandate shall expire on the earlier of:

- (i) the conclusion of the next annual general meeting or the date by which such annual general meeting is required by law to be held;
- (ii) the date on which the buy-back of the Shares is carried out to the full extent mandated;
or
- (iii) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by the Shareholders in a general meeting.

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“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (i) in the case of an on-market purchase (“Market Purchase”) on the SGX-ST, 105% of the Average Closing Price; and
- (ii) in the case of an off-market purchase (“Off-Market Purchase”) effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Singapore Companies Act, 110% of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period;

“day of the making of the offer” means the day on which our Company announces its intention to make an offer for the purchase of Shares from Shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“market day” means a day on which the SGX-ST is open for trading in securities.

The Share Buyback Mandate was made in compliance with the requirements of the Catalist Listing Manual and the Singapore Takeovers Code, and in accordance with all other laws and regulations, including but not limited to the provisions of the Singapore Companies Act and the Constitution. In the event that our Company shall purchase our own Shares after the Listing, we are required to comply with the more onerous requirements under both the Listing Rules and the Catalist Listing Manual.

For further details of the Share Buyback Mandate, please refer to the section headed “Statutory and General Information — A. Further Information about Our Company — 4. Resolutions of the Shareholders passed at the annual general meeting of our Company held on 23 January 2017 — General Mandate to Repurchase Shares” in Appendix VI to this prospectus.

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RULE 9.09 OF THE LISTING RULES

Our Company has applied for and the Hong Kong Stock Exchange has granted a waiver from strict compliance with Rule 9.09 of the Listing Rules. Please refer to the section headed “Waivers from Strict Compliance with the Listing Rules and Exemption from the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Dealing in Securities by Core Connected Persons During a Listing Application Process (Rule 9.09 of the Listing Rules)” in this prospectus for details of the waiver.

HISTORICAL TRADING PRICES AND VOLUME OF OUR SHARES ON THE SGX-ST

The following table sets out the reported highs, lows, month ends and monthly averages of the closing trading prices and average daily trading volume of our Shares on the SGX-ST during the Track Record Period until the Latest Practicable Date. Historical Share prices may not be indicative of the prices at which the Shares will trade following completion of the Global Offering. Please refer to the section headed “Risk Factors — Risks Relating to Our Dual Primary Listing — The different characteristics between the Singapore stock market and the Hong Kong stock market may affect trading and settlement of our Shares” in this prospectus in relation to the relevant risks.

Year/ Month	Price Per Share (S\$)				Average daily trading volume	
	High	Low	Month end	Monthly average	No. of Shares	% of total issued Shares
2015						
April ⁽¹⁾	0.260	0.189	0.189	0.191	4,911,186	1.358%
May	0.210	0.131	0.182	0.184	4,192,810	1.160%
June	0.192	0.167	0.177	0.177	692,691	0.192%
July	0.183	0.168	0.175	0.169	333,050	0.092%
August	0.173	0.125	0.142	0.142	358,559	0.099%
September	0.144	0.131	0.131	0.132	250,113	0.069%
October	0.145	0.131	0.134	0.134	132,060	0.037%
November	0.146	0.134	0.134	0.134	124,745	0.035%
December	0.143	0.130	0.139	0.139	74,744	0.021%

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Year/ Month	Price Per Share (\$\$)				Average daily trading volume	
	High	Low	Month end	Monthly average	No. of Shares	% of total issued Shares
2016						
January	0.145	0.126	0.139	0.140	108,057	0.030%
February	0.132	0.126	0.128	0.129	78,550	0.022%
March	0.133	0.125	0.131	0.131	176,225	0.049%
April	0.138	0.126	0.126	0.126	136,617	0.038%
May	0.138	0.126	0.134	0.134	262,221	0.072%
June	0.137	0.131	0.133	0.133	172,006	0.048%
July	0.157	0.130	0.145	0.153	801,076	0.223%
August	0.188	0.148	0.183	0.184	646,500	0.180%
September	0.250	0.177	0.215	0.210	2,052,948	0.570%
October	0.235	0.200	0.210	0.210	965,386	0.268%
November	0.225	0.199	0.205	0.210	484,704	0.135%
December	0.215	0.180	0.197	0.192	378,553	0.105%
2017						
January	0.198	0.190	0.195	0.195	92,063	0.026%
February	0.205	0.190	0.199	0.200	376,272	0.104%
March	0.230	0.195	0.215	0.215	700,840	0.194%
April	0.225	0.205	0.220	0.222	546,332	0.152%
May	0.235	0.205	0.215	0.210	404,214	0.112%
June	0.225	0.210	0.210	0.213	192,989	0.054%
July	0.220	0.210	0.210	0.210	226,520	0.063%
August	0.220	0.178	0.185	0.185	233,388	0.065%
September	0.195	0.185	0.193	0.193	197,947	0.055%
October	0.195	0.182	0.182	0.182	124,756	0.035%
November	0.193	0.161	0.180	0.161	358,578	0.099%
December ⁽²⁾	0.192	0.167	0.192	0.180	257,900	0.072%

Source: Bloomberg

Notes:

(1) Our Company was listed on the Catalist board of SGX-ST on 13 April 2015.

(2) Up to the Latest Practicable Date.

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You should read this section in conjunction with our audited consolidated financial information as at and for the years ended 30 September 2014, 2015 and 2016 and the nine months ended 30 June 2017, including the notes thereto, as set out in “Appendix I — Accountant’s Report” to this prospectus. The historical financial information has been prepared in accordance with IFRS. You should read the whole of the Accountant’s Report included as Appendix I to this prospectus and not rely merely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those anticipated in the forward-looking statements. Factors that might cause future results to differ significantly from those anticipated in the forward-looking statements include those discussed in “Risk Factors” and elsewhere in the prospectus.

OVERVIEW

We are a real estate management services group headquartered in Singapore with operations in Asia, principally in Singapore. Our three business segments include space optimisation business, facilities management business and logistics services business, which we believe create an ecosystem for our operations. As at the Latest Practicable Date, we have operations in Singapore, Indonesia, Thailand, Myanmar and Hong Kong. We have also established our subsidiary in the PRC for our expansion into the PRC as at the Latest Practicable Date.

We have a long history in subletting and optimising space for leasing to tenants in Singapore. The executive chairman of our Board, Mr. Kelvin Lim, has been in the subletting and space optimisation business for close to 20 years. We first commenced subletting properties in 2002 and then diversify into optimising space in 2006. For space optimisation, we first started optimising industrial properties and gradually expanded into commercial and residential properties. As at the Latest Practicable Date, we managed a total of 33 properties that we leased or owned with a total GFA of 3,812,300 sq.ft. and a total NLA of 3,807,200 sq.ft., of which 19, 12 and 2 are industrial, commercial and residential properties, respectively. Our revenue generated from the space optimisation business for the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017 amounted to S\$70.6 million, S\$72.0 million, S\$76.7 million and S\$51.3 million, respectively, representing 77.8%, 74.7%, 73.2% and 64.3% of our total revenue, respectively.

We also have two other business segments, namely, facilities management business and logistics services business. Our facilities management operations started in 2005 to provide facilities management services to properties in our space optimisation business. Since then, we have expanded our operations to service outside customers and to offer services such as security services, car park management services and property maintenance services including cleaning, repair and

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general maintenance of properties. Our revenue generated from the facilities management business for the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017 amounted to S\$8.5 million, S\$9.7 million, S\$12.5 million and S\$12.5 million, respectively, representing 9.3%, 10.1%, 11.9% and 15.7% of our total revenue, respectively.

As for our logistics services business, which we have expanded since 2003, it primarily provides transportation services including base oil and bitumen transportation, and chemical transportation, container depot management services, container depot services and other ancillary services. Our revenue generated from the logistics services business for the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017 amounted to S\$11.7 million, S\$14.7 million, S\$15.6 million and S\$15.9 million, respectively, representing 12.9%, 15.2%, 14.9% and 20.0% of our total revenue, respectively.

BASIS OF PRESENTATION

Our Group is principally engaged in space optimisation business, facilities management services business and logistics services business. We have categorised all our leasing, sub-leasing and management of properties under our space optimisation business. “Space optimisation” involves re-designing and planning the property in order to increase its NLA and minimise the amount of “dead” or unusable space, thus increasing the potential rental yield per sq.ft. and accordingly, the potential rental yield of the property. In order to ensure the property will follow the optimisation plan, we will execute the necessary renovation and refurbishment work. The renovation and refurbishment work will also enhance the aesthetic appeal and potentially increase the overall value of the property. See note 1.3 of Section I to the Accountant’s Report for details of our basis of presentation.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been and will continue to be affected by a number of factors, including those set out below:

Our Property Portfolio

Our space optimisation business accounted for majority of our revenue during the Track Record Period, and amounted to S\$70.6 million, S\$72.0 million, S\$76.7 million and S\$51.3 million, respectively, representing 77.8%, 74.7%, 73.2% and 64.3% of our total revenue for the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, respectively. We obtained properties that we operated during the Track Record Period through (i) master leases with our landlords either through private negotiation or by successful public tenders if the landlord is a Singapore government authority; and (ii) acquisition of properties. Our revenue generated from the space optimisation business during the Track Record Period primarily represented our rental and warehousing income generated from our industrial, commercial and residential properties. During the Track Record Period, we also operated a number of other businesses on some of our industrial and commercial properties to generate rental income (which

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also include service fees) on the properties, such as Work+Store spaces, PickJunction spaces and GreenHub Suited Offices. See “Business — Our Businesses” in this prospectus for details of these concept spaces.

Our revenue is affected by the number of properties we operated and the total NLA under our property portfolio, which includes properties we lease or own to operate under the space optimisation business. Since July 2016, we started to provide asset management services to property owners, including our joint venture companies. As we only provide management services and generate a fixed rate management fee, we do not consider these properties to be part of our property portfolio. During the Track Record Period, our property portfolio comprises industrial properties (including warehouses and light industrial use units), commercial properties (including business and office units) and residential properties (including 85SOHO serviced residences), of which, majority of the properties are located in Singapore, and the remaining properties are located in Indonesia and Myanmar.

For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, the average monthly NLA, the average occupancy rate and the average rental per sq.ft. of NLA for our industrial, commercial and residential properties were as follows:

	For the year ended 30 September									For the nine months ended		
	2014			2015			2016			30 June 2017		
	Average NLA ⁽¹⁾ sq.ft. ('000)	Average occupancy rate ⁽²⁾ %	Average rental ⁽³⁾ S\$/sq.ft.	Average NLA ⁽¹⁾ sq.ft. ('000)	Average occupancy rate ⁽²⁾ %	Average rental ⁽³⁾ S\$/sq.ft.	Average NLA ⁽¹⁾ sq.ft. ('000)	Average occupancy rate ⁽²⁾ %	Average rental ⁽³⁾ S\$/sq.ft.	Average NLA ⁽¹⁾ sq.ft. ('000)	Average occupancy rate ⁽²⁾ %	Average rental ⁽³⁾ S\$/sq.ft.
Industrial	3,105	95.1	1.16	3,284	92.9	1.23	3,571	94.0	1.27	3,019	88.4%	1.32
Commercial	581	90.5	3.36	568	95.9	3.53	575	94.0	3.60	569	90.9%	3.71
Residential	383	99.0	1.49	238	97.2	0.87	202	93.8	0.29	195	99.4%	0.48

Notes:

- (1) Calculated by the accumulated monthly NLA for the year or period divided by the number of months in the year or period.
- (2) Calculated by dividing the accumulated NLA occupied by the accumulated total NLA during the year or period.
- (3) Calculated by dividing the aggregate of accumulated rental income (including facility fee) and warehouse service fees by the accumulated NLA occupied during the year or period.

See also “Business — Our Business — Our Space Optimisation Business — Key Information of Properties Leased or Owned by Us by Region During the Track Record Period” in this prospectus for breakdowns of average NLA, occupancy rate and rental for each of the year or period during the Track Record Period by region.

The composition of our property portfolio will depend on our ability to obtain new properties, whether through master leases or acquisitions, and to renew or to re-tender the existing master leases with our landlords at terms acceptable to us. During the Track Record Period, we had not

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renewed some of our properties due to redevelopment plans of the government, or we decided not to renew the master leases after our assessment of the future performance of the property, including the new renewal terms, or we may not be able to secure a successful re-tender of the properties. See “Risk Factors — Risks Relating to Our Business — Risks Relating to Our Space Optimisation Business — Majority of our properties are obtained through master leases with our landlords, and a number of car parks we manage are obtained through licences. If any of our landlords will not renew the master lease or the licence with us upon the expiry of the existing term, or substantially increase the rental prices for our renewal, our business, financials and operations may be materially affected.” in this prospectus for details. See also “Business — Our Business — A. Space Optimisation Business — F. Historical Movement of our Properties” in this prospectus for further details.

For illustrative purposes, we set out below a sensitivity analysis which illustrates the impact of the hypothetical fluctuations of the accumulated NLA during the year or period on our profit before income tax during the Track Record Period, assuming all other variables were held constant. Fluctuations in accumulated NLA are assumed to be 5% and 10% with reference to historical fluctuations of average monthly gross rental profit per sq.ft. and average annual NLA of each segment.

<u>Changes in the accumulated NLA</u>	<u>Changes in Profit before Income Tax</u>			
	<u>For the year ended 30 September</u>			<u>For the nine</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>months ended</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>30 June 2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
+10%	3,136	2,919	3,047	1,376
+5%	1,568	1,460	1,524	688
-5%	(1,568)	(1,460)	(1,524)	(688)
-10%	(3,136)	(2,919)	(3,047)	(1,376)

Furthermore, occupancy rates at our properties will also affect our business and results of operations. Our occupancy rates are affected by factors including, among others, the rental rates, location, age and condition of our properties as compared to our competitors, and the prevailing market conditions at the time when we negotiate the tenancy agreement with our tenants.

For illustrative purposes, we set out below a sensitivity analysis which illustrates the impact of hypothetical fluctuations of our rental and warehousing income under the space optimisation business on our profit before income tax during the Track Record Period, assuming all other variables were held constant. Fluctuation in rental and warehousing income are assumed to be 5% and 10% with reference to historical fluctuations.

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<u>Changes in Rental and Warehousing Income under Space Optimisation Business</u>	<u>Changes in Profit before Income Tax</u>			
	<u>For the year ended 30 September</u>			<u>For the nine months ended</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>30 June 2017</u>
	S\$'000	S\$'000	S\$'000	S\$'000
+10%	6,869	7,019	7,489	4,997
+5%	3,435	3,509	3,745	2,499
-5%	(3,435)	(3,509)	(3,745)	(2,499)
-10%	(6,869)	(7,019)	(7,489)	(4,997)

Our Rental Costs

Our rental costs during the Track Record Period represented a major portion of our cost of sales, which included rental costs for (i) our properties under the space optimisation business obtained through master leases; (ii) car parks under the facilities management business; and (iii) the parking yard and container depot under the logistics services business. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, our rental costs amounted to S\$49.4 million, S\$53.6 million, S\$56.6 million and S\$43.2 million, respectively, representing 75.1%, 73.5%, 73.2% and 71.3% of our total cost of sales during the same periods, respectively.

The table below sets out a breakdown of our rental costs by business segment for the periods indicated:

	<u>For the year ended 30 September</u>						<u>For the nine months ended 30 June</u>			
	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2016</u>		<u>2017</u>	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	(unaudited)									
Rental costs										
Space optimisation business	42,303	85.8	46,205	86.2	48,180	85.2	36,833	85.9	34,954	81.0
Facilities management business	5,525	11.2	6,085	11.4	6,842	12.1	5,024	11.7	6,551	15.2
Logistics services business	1,500	3.0	1,285	2.4	1,533	2.7	1,016	2.4	1,645	3.8
	<u>49,328</u>	<u>100.0</u>	<u>53,575</u>	<u>100.0</u>	<u>56,555</u>	<u>100.0</u>	<u>42,873</u>	<u>100.0</u>	<u>43,150</u>	<u>100.0</u>

Our rental costs may change due to various factors, such as changes in rental cost for the properties upon renewal, changes of the composition of our properties portfolio and the number of car parks we manage. Our rental costs are fixed by the underlying lease agreements. As such, changes in our rental costs will affect our results of operations. See also “Risk Factors — Risks Relating to Our Business — Majority of our space optimised properties are obtained through master leases. If we are unable to renew or re-tender for the master leases, our business, financials and operations may be materially affected.” in the prospectus.

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For illustrative purposes, we set out below a sensitivity analysis which illustrates the impact of hypothetical fluctuations of our rental costs on our profit before income tax during the Track Record Period, assuming all other variables were held constant. Fluctuation in rental costs are assumed to be 5% and 10% with reference to historical fluctuations.

Changes in the rental costs	Changes in Profit before Income Tax			
	For the year ended 30 September			For the nine months ended
	2014	2015	2016	30 June 2017
	S\$'000	S\$'000	S\$'000	S\$'000
+10%	(4,933)	(5,358)	(5,656)	(4,315)
+5%	(2,466)	(2,679)	(2,828)	(2,158)
-5%	2,466	2,679	2,828	2,158
-10%	4,933	5,358	5,656	4,315

Renovation Costs

For our properties in our space optimisation business, we generally carry out renovation works to optimise the space and to increase the NLA before putting the properties on the market for leasing. The type and the amount of time required for the renovation works depend on a number of factors. We typically will invest a greater amount for renovation of our owned properties than leased properties as there is no guarantee that the master lease will be renewed and, in the event of non-renewal, we will need to return the property to the landlord. For leased properties, we will also consider the term of lease and the expected likelihood of renewal upon expiry of the master lease. Other factors that we may consider in determining the investment on renovation include the condition, size, type and planned future use of the property.

For the years ended 30 September 2014, 2015 and 2016, and for the nine months ended 30 June 2017, the additions of our renovation works amounted to S\$3.0 million, S\$4.8 million, S\$1.9 million and S\$0.9 million, respectively. The renovation works are depreciated over the expected useful life of the works based on the term of the lease or the expected time that we will hold or lease the property. At the end of the reporting period, we may adjust the residual values and useful life of the works. For example, if the landlord serves us a notice to early terminate the lease for redevelopment plans, or if we decide to early terminate a lease for performance reasons, we will need to adjust the expected useful life of the works to the expected end date of the lease and to accelerate the depreciation expense. If we accelerate the depreciation expense, our profit and results of operation may be affected. See also “Risk Factors — Risks Relating to our Business — We may be unable to recover our renovation, refurbishment and maintenance costs for our properties.” in this prospectus for more information. During the Track Record Period, we have not early terminated any lease and have not received any early termination notice from our landlord.

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For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, the depreciation of our renovation works amounted to S\$2.7 million, S\$3.0 million, S\$3.7 million and S\$2.3 million, respectively, representing 3.0%, 3.1%, 3.6% and 2.8% of our total revenue, respectively.

Employee Benefits Expenses

Employee benefit expenses represent wages, salary and allowances paid to our employees, their retirement benefits costs and our Directors' fees. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, our employee benefit expenses amounted to S\$16.0 million, S\$16.7 million, S\$19.5 million and S\$15.9 million, representing 17.7%, 17.3%, 18.6% and 19.9% of our total revenue, respectively. As at 30 June 2017, we had 408 employees, majority of which are our employees in Singapore.

For our facilities management business and our logistics services business in Singapore, we rely on foreign workers for more labour intensive jobs including cleaners and security personnel as we find it more difficult to hire Singaporeans for such jobs. Also, in Singapore, we are required to meet the wage and training requirements specified in the progressive wage model for our cleaners and for our security officers. See "Regulatory Overview — Overview of Singapore Laws and Regulations — Licensing of Cleaning Business" and "— Provision of Security Services" in this prospectus for the respective progressive wage requirements. Any increase in the progressive wages in Singapore or increase in difficulty for us to hire cleaners and security personnels may substantially increase our costs and affect our results of operations. See "Risk Factors — Risks Relating to Our Business — Our failure to attract and retain skilled personnel and labour could materially affect our operations and business." in this prospectus for more details.

For illustrative purposes, we set out below the sensitivity analysis which illustrates the impact of hypothetical fluctuations of our employee benefits expenses on our profit before income tax during the Track Record Period assuming all other variables are held constant. Fluctuation in employee benefit expenses are assumed to be 10% to 20% with reference to historical fluctuations.

<u>Changes in the employees benefit expenses</u>	<u>Changes in Profit before Income Tax</u>			
	<u>For the year ended 30 September</u>			<u>For the nine</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>months ended</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>30 June 2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
+20%	(3,205)	(3,342)	(3,903)	(3,181)
+10%	(1,603)	(1,671)	(1,952)	(1,591)
-10%	1,603	1,671	1,952	1,591
-20%	3,205	3,342	3,903	3,181

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Fair Value on Investment Properties

All of our investment properties are carried at fair value and the valuation is carried out for each financial statement date by independent professional valuers. The value of our investment properties may appreciate or depreciate, and the valuation depends on the judgment of our valuers. See also “— Critical Accounting Policies and Estimates — Investment Properties” below for more information. Changes to the fair value on investment properties may affect our results of operations.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. We have also made certain accounting judgements and assumptions in the process of applying our accounting policies. When reviewing our consolidated financial information, you should consider (i) our selection of critical accounting policies; (ii) the judgment and assumptions affecting the application of such policies; and (iii) the sensitivity of reported results to changes in conditions and assumptions. We have not changed our assumptions during the Track Record Period and have not noticed any material errors regarding our assumptions. We set forth below those accounting policies which we believe are of significant importance to us or involve the most critical accounting judgment and estimates used in the preparation of our financial statements. Our significant accounting policies, judgment and estimates, which are important for an understanding of our financial condition and results of operations have more details set forth in notes 2 and 4 of the Accountant’s Report in Appendix I to this prospectus.

Fair Value of Investment Properties

Our investment properties generally include our leasehold interests which are initially recognised at cost and subsequently carried at fair value, determined at each financial statement date by independent professional valuers on the highest-and-best-use basis using the Direct Market Comparison Method in determining the open market values. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. Hence, the valuation involves judgments of our independent professional valuers. Changes in fair values are recognised in the profit or loss. As at 30 September 2017, the fair values of the properties have been determined by Jones Lang LaSalle Property Consultants Pte Ltd.

For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, we recorded fair value gain on investment properties of S\$5.8 million, S\$0.6 million, S\$2.1 million and fair value loss on investment properties of S\$1.4 million, respectively, due to the changes in fair values. See Note 15 of Section II of the Accountant’s Report for details of the fair value of our investment properties as at 30 September 2014, 2015 and 2016, and 30 June 2017.

See also Notes 2.5 and 4(a) in Section II of the Accountant’s Report for more information.

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Depreciation of Property, Plant and Equipment

Our property, plant and equipment includes leasehold buildings, renovation costs, construction-in-progress, plant and machinery, furniture and fittings, office equipment, logistic equipment, motor vehicles, computers and containers. As at 30 September 2014, 2015 and 2016, and 30 June 2017, our property, plant and equipment amounted to S\$19.9 million, S\$26.6 million, S\$26.5 million and S\$17.4 million, respectively.

Our property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. We do not depreciate our construction-in-progress. We estimate the useful life within the range as indicated in the relevant accounting policy. In particular, for our renovation costs, we depreciate the renovation costs based on the estimated useful life, generally being the term of the lease. If there is any change in the expected level of usage such as early termination of a lease, and technological development, it could impact the economic useful lives and residual values of these assets. See Note 2.4 in Section II of the Accountant's Report for details of the estimated useful lives of our property, plant and equipment. The depreciation of our property, plant and equipment for the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017 amounted to S\$5.2 million, S\$5.5 million, S\$6.5 million and S\$4.5 million, respectively.

See also Notes 2.4 and 4(b) in Section II of the Accountant's Report for more information.

IMPACT OF THE ADOPTION OF IFRS 16

We plan to apply IFRS 16 from the accounting year beginning 1 October 2019 and has included a description of the nature in respect of the impact of the implementation to our financial statements in Note 2.1 in section II of the Accountant's Report.

We had aggregate minimum lease payments under non-cancellable lease of S\$149,362,000 as at 30 June 2017 which were not recognised in the consolidated statements of financial position. We expect the implementation of IFRS 16 will require the recognition of such leases in the form of right-to-use asset and lease liabilities, initially at discounted present value of the future operating lease commitments which will have a material adverse impact to our consolidated statements of financial position. The expected impact on our consolidated statements of profit or loss will primarily be the recognition of depreciation for the right-to-use asset and interest expense on the lease liability instead of rental expenses which, on a lease-by-lease basis, will result in higher total expense being recognised in the initial years of the lease and even out throughout the remaining term of the lease. Nevertheless, it is expected that there will be no material impact on the total expenses to be recognised by us over the entire lease period and our total net profit over the lease period is not expected to be materially affected. The adoption of IFRS 16 would not affect our total cash flows in respect of the leases.

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Based on our management's analysis, assuming IFRS 16 will be adopted starting from the financial year commencing on 1 October 2019 and based on the following assumptions:

- (i) no new leases will be entered into by us since the Latest Practicable Date;
- (ii) all existing leases as of the Latest Practicable Date will not be terminated or altered before their respective expiry date;
- (iii) for leases without any option to renew, such leases will expire without renewal at their respective expiry date;
- (iv) for leases with an option to renew, such leases will be renewed at their respective expiry date for one more term as provided in the lease agreement at, (a) where rental cost for the renewed term is stated in the lease, such stated rental cost, or (b) where no rental cost for the renewed term is stated in the lease, the current rental cost; and
- (v) our Group will adopt IFRS 16 prospectively commencing from the financial year beginning 1 October 2019;

the following would be the expected impact of the adoption of IFRS16 on our financial statements.

For the year ending 30 September 2020, being the first financial year to be affected by the adoption of IFRS 16, our aggregate depreciation expense for the right-of-use asset and interest expense on the lease liability to be recognised under IFRS 16 as compared to the total rental costs that would be recognised prior to adopting IFRS 16 will increase by no more than 5%. As such, based on this hypothetical analysis, there will be an adverse impact on our consolidated statement of profit or loss in the initial year of adopting IFRS 16. For illustrative purposes, please see “— Factors Affecting Our Results of Operations — Our Rental Costs” in this section for the sensitivity analysis illustrating the impact of hypothetical fluctuations of our rental costs on our profit before income tax during the Track Record Period. For the period after the first year of adopting IFRS 16 (i.e. starting from the year ending 30 September 2021) to the expected expiry of the leases, our aggregate depreciation expense for the right-of-use asset and interest expense on the lease liability to be recognised under IFRS 16 will be lower than the total rental costs that would be recognised prior to adopting IFRS 16. As a whole, since the adoption of IFRS 16 will result in higher total expenses being recognised in the first year since the adoption of IFRS 16 (i.e. the year ending 30 September 2020) but lower total expenses thereafter, the total expenses recognised in the consolidated statement of profit or loss throughout the lease term, whether in form of depreciation expense and interest expense to be recognised under IFRS 16 or rental costs that would be recognised prior to adopting IFRS 16, will be the same. The adoption of IFRS 16 would only affect the timing of recognition of the relevant expenses.

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IFRS 16 allows our Company to apply this standard on the date of adoption (i.e. 1 October 2019) by retrospectively adjusting the prior reporting period presented (i.e. the year ending 30 September 2019), or by adopting a simplified approach by adjusting the cumulative effect to its retained earnings on the date of adoption without adjusting the prior period. Our Company's current intention is to follow the simplified approach which would not result in any adjustments to our results of operations for periods prior to 1 October 2019. As such, the impact of the adoption of IFRS 16 will only commence from the financial year ending 30 September 2020, and there will not be any impact on the prior financial years.

Based on our management's analysis, assuming IFRS 16 is being adopted from 1 October 2016, and on the basis of the same set of assumptions stated in the previous paragraph, our consolidated statements of financial position as of 30 September 2017 will be materially adversely affected as our liability will substantially increase due to recognition of lease liabilities for our master leases. In particular, our current liabilities will exceed current assets as a portion of lease liabilities will be recorded in current liabilities whilst the entire amount of the right-of-use assets will be included in non-current assets. The adoption of IFRS 16 will also have material adverse effects on certain financial ratios, including return on equity and return on total asset.

We will continue to assess the specific magnitude of the adoption of IFRS 16 to the relevant financial statement areas and will conduct a more detailed assessment on the impact as information become available closer to the planned initial date of the adoption of 1 October 2019.

See also "Risk Factors — Risk Relating to Our Industries — The application of IFRS 16 on our operating lease commitments will materially affect the amounts of right-of-use asset, financial liability, property rental and related expenses, depreciation and interest expense" in this prospectus for the related risk.

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RESULTS OF OPERATIONS

The following table summarises the selected items in our consolidated statements of profit or loss and total comprehensive income for the Track Record Period, extracted from the Accountant's Report in Appendix I to this prospectus.

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	<i>(Unaudited)</i>				
Revenue	90,740	96,374	104,705	78,724	79,767
Cost of sales	<u>(65,709)</u>	<u>(72,926)</u>	<u>(77,208)</u>	<u>(57,744)</u>	<u>(60,556)</u>
Gross profit	25,031	23,448	27,497	20,980	19,211
Other income	2,194	2,714	3,017	2,140	1,815
Other losses — net	(110)	(391)	(318)	(42)	(161)
Selling and distribution expenses	(975)	(2,321)	(1,804)	(1,448)	(821)
Administrative expenses	(17,236)	(19,337)	(20,351)	(14,366)	(19,403)
Finance cost — net	(708)	(446)	(600)	(455)	(457)
Share of results of associates and joint ventures, net of tax	24	26	6,716	(88)	3,430
Impairment loss on non-current asset classified as held for sale	—	—	—	—	(500)
Fair value gain/(loss) on investment properties	<u>5,784</u>	<u>575</u>	<u>2,071</u>	<u>—</u>	<u>(1,439)</u>
Profit before income tax	14,004	4,268	16,228	6,721	1,675
Income tax expense	<u>(1,300)</u>	<u>(214)</u>	<u>(1,127)</u>	<u>(809)</u>	<u>(341)</u>
Profit for the year/period	<u>12,704</u>	<u>4,054</u>	<u>15,101</u>	<u>5,912</u>	<u>1,334</u>

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	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to:				<i>(Unaudited)</i>	
Equity holders of the Company	12,756	4,223	15,094	5,876	1,038
Non-controlling interests	<u>(52)</u>	<u>(169)</u>	<u>7</u>	<u>36</u>	<u>296</u>
	<u>12,704</u>	<u>4,054</u>	<u>15,101</u>	<u>5,912</u>	<u>1,334</u>
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Currency translation differences arising from consolidation	(136)	(290)	271	217	(51)
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Revaluation gains on leasehold buildings	1,834	254	759	—	137
Share of other comprehensive income of joint venture	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>142</u>
	<u>1,698</u>	<u>(36)</u>	<u>1,030</u>	<u>217</u>	<u>228</u>
Total comprehensive income for the year/period	<u><u>14,402</u></u>	<u><u>4,018</u></u>	<u><u>16,131</u></u>	<u><u>6,129</u></u>	<u><u>1,562</u></u>

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DESCRIPTION OF SELECTED ITEMS IN CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND TOTAL COMPREHENSIVE INCOME

Revenue

We generated revenue primarily from leasing our properties to our tenants under the space optimisation business during the Track Record Period, with the balance generated from facilities management and logistics services.

The following table sets forth the breakdown of our revenue by business operations for the periods indicated:

	For the year ended 30 September						For the nine months ended 30 June			
	2014		2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	<i>(unaudited)</i>									
Space optimisation business										
Industrial	40,484	44.6	45,864	47.6	52,040	49.7	40,048	50.9	32,712	41.0
Commercial	21,198	23.4	23,445	24.3	23,740	22.7	17,728	22.5	17,514	22.0
Residential	8,880	9.8	2,644	2.8	884	0.8	609	0.8	1,104	1.3
	70,562	77.8	71,953	74.7	76,664	73.2	58,385	74.2	51,330	64.3
Facilities management business	8,478	9.3	9,748	10.1	12,459	11.9	9,022	11.4	12,488	15.7
Logistics services business	11,700	12.9	14,673	15.2	15,582	14.9	11,317	14.4	15,949	20.0
Total	90,740	100.0	96,374	100.0	104,705	100.0	78,724	100.0	79,767	100.0

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Geographical Markets

In terms of geographical contribution, majority of our revenue were generated from our operations in Singapore during the Track Record Period, where most of our property portfolio was located and mainly denominated in Singapore dollars.

The following table sets forth the breakdown of our revenue by geographical regions for the periods indicated:

	For the year ended 30 September						For the nine months ended 30 June			
	2014		2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	<i>(unaudited)</i>									
Singapore	90,678	99.9	95,819	99.4	102,861	98.2	77,532	98.5	76,968	96.5
Indonesia	62	0.1	490	0.5	1,101	1.1	779	1.0	1,090	1.4
Thailand	—	0.0	65	0.1	508	0.5	337	0.4	1,073	1.3
Myanmar	—	0.0	—	0.0	235	0.2	76	0.1	633	0.8
Other countries	—	0.0	—	0.0	—	0.0	—	0.0	3	0.0
	<u>90,740</u>	<u>100.0</u>	<u>96,374</u>	<u>100.0</u>	<u>104,705</u>	<u>100.0</u>	<u>78,724</u>	<u>100.0</u>	<u>79,767</u>	<u>100.0</u>

Space Optimisation Business

Our revenue from the space optimisation business primarily comprises rental income generated from light industrial units, business and office units, and residential units, and warehouse service fees primarily comprises the rental of our storage or warehouse facilities.

Furthermore, during the Track Record Period, we also generated revenue from furniture trading. Such revenue represents the furniture trading by MQ Furnishing. Revenue generated from furniture trading for the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017 amounted to S\$0.8 million, S\$0.8 million, S\$0.3 million and S\$4,000, respectively. We have incorporated MQ Furnishing in 2012 after we have acquired Singapore Handicraft. Singapore Handicraft has a furniture manufacturing business at the time, which we have transformed into a furniture trading business and transferred such business to MQ Furnishing, a wholly-owned subsidiary of Singapore Handicraft. The furniture trading business is an auxiliary business that is in existence due to the acquisition of the underlying property and that we believe having run a furniture trading business will enable us to understand our customers of our PickJunction spaces.

Since July 2016, we began to carry out asset management services in our space optimisation business for property owners, including properties owned by our joint venture companies, whereby we provided services including designed property concepts and optimisation works, and carried out lease management, whereby we generated a fixed percentage of the rental received by the property owner as our revenue. During the Track Record Period, we only generated revenue of S\$79,000

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from asset management services for the nine months ended 30 June 2017, representing approximately 0.1% of our total revenue and 0.2% of our total revenue from the space optimisation business during the same period, respectively.

Facilities Management Business

Our revenue from the facilities management business primarily comprises facilities services income, parking revenue and security services revenue.

The following table sets out a breakdown of our revenue from the facilities management business for the periods indicated:

	For the year ended 30 September						For the nine months ended 30 June			
	2014		2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	<i>(unaudited)</i>									
Parking	6,484	76.5	7,196	73.8	9,046	72.6	6,596	73.1	8,682	69.5
Security services	1,484	17.5	2,279	23.4	2,981	23.9	2,092	23.2	3,226	25.8
Other services	510	6.0	273	2.8	432	3.5	334	3.7	580	4.7
Total	<u>8,478</u>	<u>100.0</u>	<u>9,748</u>	<u>100.0</u>	<u>12,459</u>	<u>100.0</u>	<u>9,022</u>	<u>100.0</u>	<u>12,488</u>	<u>100.0</u>

Logistics Services Business

Our revenue from our logistics services business primarily comprises revenue from providing transportation services, container depot management services and container depot services. Revenue of logistics services primarily comprises transportation of ISO tanks, containers, base oil and bitumen between ports, bulk liquid to loading terminals and our customers' designated destinations in Singapore, and container services income, which included container surveying by IICL-certified inspectors, stacking and lifting of containers, container washing, on-site repair and storage of empty general purpose containers and refrigerated containers. The following table sets out a breakdown of our revenue from the logistics services business for the periods indicated:

	For the year ended 30 September						For the nine months ended 30 June			
	2014		2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	<i>(unaudited)</i>									
Transportation services	8,814	75.3	9,354	63.7	9,285	59.6	6,799	60.1	8,390	52.6
Container depot services	<u>2,886</u>	<u>24.7</u>	<u>5,319</u>	<u>36.3</u>	<u>6,297</u>	<u>40.4</u>	<u>4,518</u>	<u>39.9</u>	<u>7,559</u>	<u>47.4</u>
Total	<u>11,700</u>	<u>100.0</u>	<u>14,673</u>	<u>100.0</u>	<u>15,582</u>	<u>100.0</u>	<u>11,317</u>	<u>100.0</u>	<u>15,949</u>	<u>100.0</u>

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Cost of sales

Our cost of sales primarily comprises rental costs, direct labour costs and upkeep and maintenance costs.

The following table sets out a breakdown of our cost of sales for the periods indicated:

	For the year ended 30 September						For the nine months ended 30 June			
	2014		2015		2016		2016		2017	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	<i>(unaudited)</i>									
Rental costs	49,328	75.1	53,575	73.5	56,555	73.2	42,873	74.3	43,150	71.3
Direct labour costs	8,191	12.5	8,770	12.0	9,875	12.8	7,096	12.3	7,743	12.8
Upkeep and maintenance costs	7,121	10.8	6,860	9.4	7,336	9.5	5,220	9.0	6,327	10.4
Container depot management charges	—	—	2,451	3.4	2,228	2.9	1,673	2.9	1,679	2.8
Transportation costs	375	0.6	554	0.7	751	1.0	461	0.8	1,226	2.0
Others	694	1.0	716	1.0	463	0.6	421	0.7	431	0.7
Total	65,709	100.0	72,926	100.0	77,208	100.0	57,744	100.0	60,556	100.0

Rental costs represent our rental costs (i) payable to our landlords for which we have leased the properties for our space optimisation business, which in turn were sub-leased to our tenants; (ii) for the car parks under the facilities management business; and (iii) parking yard and container depot under the logistics services business. Our rental costs amounted to 75.1%, 73.5%, 73.2%, and 71.3% for the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, of the total cost of sales, respectively.

Our direct labour costs represent salary expenses of our employees. Our upkeep and maintenance costs relate to expenses incurred in relation to the maintenance and repair of our properties, upkeep of our container depot handling equipment, and maintenance of our transportation fleet, including prime movers, trailers, forklifts and lorries. Container depot management charges represent our services provided to one of our customers in managing their container depot. Transportation costs relate to charges incurred for trucking services our supplier provide for our logistics services business.

Gross Profit and Gross Profit Margin

For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, our gross profit was S\$25.0 million, S\$23.4 million, S\$27.5 million and S\$19.2 million, respectively, and our gross profit margin was 27.6%, 24.3%, 26.3% and 24.1%, respectively, for the same periods.

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The following table sets out a breakdown of our gross profit and gross profit margin by business operations for the periods indicated:

	For the year ended 30 September						For the nine months ended 30 June			
	2014		2015		2016		2016		2017	
	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
	<i>(unaudited)</i>									
Space optimisation business										
Industrial	13,251	32.7	11,830	25.8	13,900	26.7	10,784	26.9	7,020	21.5
Commercial	5,794	27.3	7,478	31.9	7,448	31.4	5,603	31.6	4,267	24.4
Residential	<u>2,012</u>	<u>22.7</u>	<u>(498)</u>	<u>(18.8)</u>	<u>104</u>	<u>11.8</u>	<u>(40)</u>	<u>(6.6)</u>	<u>644</u>	<u>58.3</u>
	21,057	29.8	18,810	26.1	21,452	28.0	16,347	28.0	11,931	23.2
Facilities management business										
	800	9.4	782	8.0	1,753	14.1	1,229	13.6	1,849	14.8
Logistics services business										
	<u>3,174</u>	<u>27.1</u>	<u>3,856</u>	<u>26.3</u>	<u>4,292</u>	<u>27.5</u>	<u>3,404</u>	<u>30.1</u>	<u>5,431</u>	<u>34.1</u>
Total	<u>25,031</u>	<u>27.6</u>	<u>23,448</u>	<u>24.3</u>	<u>27,497</u>	<u>26.3</u>	<u>20,980</u>	<u>26.7</u>	<u>19,211</u>	<u>24.1</u>

Our gross profit margin for our industrial properties segment decreased from 32.7% for the year ended 30 September 2014 to 25.8% for the year ended 30 September 2015 primarily due to three new industrial properties that we obtained during the year, in particular, our 18 Tampines property which was the largest property of the three new properties during the year. As we took control over the property in June 2015 despite the master lease commenced only in September 2015, the effective rental costs of 18 Tampines were recognised since June 2015. Furthermore, with the renovation costs incurred for the space optimisation work and the tenancy only commenced in September 2015, we recognised higher effective rental costs which led to a decrease in our profit margin for the year ended 30 September 2015. Our gross profit margin for our industrial properties segment then increased to 26.7% for the year ended 30 September 2016 as primarily there was no new industrial properties during the year and the occupancy rate for our three new properties in 2015 started to build-up. Our gross profit margin for our industrial properties segment decreased from 26.9% for the nine months ended 30 June 2016 to 21.5% for the nine months ended 30 June 2017 primarily due to the (i) non-renewal of four of our master leases (being four industrial properties in the west zone of Singapore) which had expired during the year ended 30 September 2016; (ii) non-renewal of two of our master leases (being two industrial properties in the west zone of Singapore) which had expired during the nine months ended 30 June 2017; (iii) the vacant

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period of some units in three of our properties (namely, 10–40 Tuas South, 18 Penjuru and 34 Boon Leat Terrace) as a result of expiry of the lease agreements with our tenants. As such, our gross profit margin for the nine months ended 30 June 2017 decreased.

Our gross profit margin for our commercial properties segment increased from 27.3% for the year ended 30 September 2014 to 31.9% for the year ended 30 September 2015 primarily due to the increase of occupancy rate of a property that was renewed in 2014 and a new property that we obtained in 2014, 215 Upper Bukit Timah. Our gross profit margin for our commercial properties segment remained relatively stable at 31.4% for the year ended 30 September 2016. Our gross profit margin for our commercial properties segment decreased from 31.6% for the nine months ended 30 June 2016 to 24.4% for the nine months ended 30 June 2017 primarily due to the re-tender of 10 Raeburn Park, one of our large commercial properties, in September 2016, which impacted our revenue generated from the property as there were tenants movement due to the expiry of the lease and the master lease was renewed at a higher rental rate which resulted in increased rental cost.

For the year ended 30 September 2015, our residential properties segment of our space optimisation business recorded a negative profit margin of 18.8% primarily due to one of our residential properties in the central zone of Singapore had higher costs compared to its revenue, which we decided not to renew after our assessment of performance of property. The profit margin for our residential properties segment of our space optimisation business improved to 11.8% for the year ended 30 September 2016 due to the launch of the 85SOHO serviced residence in Myanmar. Our gross profit margin for our residential properties segment substantially increased from a negative profit margin of 6.6% for the nine months ended 30 June 2016 to a positive profit margin of 58.3% for the nine months ended 30 June 2017 primarily due to a full year contribution of revenue by the 85SOHO serviced residence in Myanmar and the increase of occupancy rate at the property from 11.9% to 92.5% during the same period.

During the Track Record Period, our facilities management business has recorded relatively lower gross profit margin primarily due to our facilities management business that was to complement our space optimisation business through providing facilities management services to our properties. As our facilities management business is becoming more mature and the scale is becoming larger, we have been gradually servicing more external clients. Apart from a slight decrease of gross profit margin from 9.4% for the year ended 30 September 2014 to 8.0% for the year ended 30 September 2015, the gross profit margin for our facilities management business gradually improved, from 8.0% for the year ended 30 September 2015 to 14.1% for the year ended 30 September 2016, and further improved to 14.8% for the nine months ended 30 June 2017.

As for our logistics services business, our gross profit margin decrease slightly from 27.1% for the year ended 30 September 2014 to 26.3% for the year ended 30 September 2015. Our gross profit margin then increased to 27.5% for the financial year ended 30 September 2016. Our gross profit margin then increased further from 30.1% for the nine months ended 30 June 2016 to 34.1%

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for the nine months ended 30 June 2017 primarily due to the increase in demand of transportation services and storage, repair and leasing of containers contributed by the slow-down of shipments worldwide.

Other Income

Other income primarily consists of income from wage credit scheme and special employment credit, service charges, foreign exchange gain, handling charges, gain on disposal of property, plant and equipment, interest income, government grants on capability building and overseas research and other miscellaneous charges. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, our other income amounted to S\$2.2 million, S\$2.7 million, S\$3.0 million and S\$1.8 million, respectively.

Selling and Distribution Expenses

Selling and distribution expenses primarily consist of advertising cost, commission paid to property agents, entertainment expenses and marketing expenses. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, our selling and distribution expenses amounted to S\$1.0 million, S\$2.3 million, S\$1.8 million and S\$0.8 million, respectively, representing 1.1%, 2.4%, 1.7% and 1.0% of our total revenue during the same periods, respectively.

Administrative Expenses

Administrative expenses primarily represent employee benefit costs, depreciation of property, plant and equipment, listing expenses in relation to the Catalist Listing, professional fees, consultancy fees, insurance, rental expense, information technology maintenance expenses, telephone expenses and others. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, our administrative expenses amounted to S\$17.2 million, S\$19.3 million, S\$20.4 million and S\$19.4 million, respectively, representing 19.0%, 20.1%, 19.4% and 24.3% of our total revenue during the same periods, respectively.

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The following table sets out a breakdown of our administrative expenses for the periods indicated:

	For the year ended			For the nine months ended	
	30 September			30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(unaudited)</i>	
Employee benefit costs	7,834	7,938	9,642	6,781	8,162
Depreciation of property, plant and equipment	5,191	5,531	6,546	4,846	4,533
Professional fees	788	537	464	291	439
Consultancy fees	644	303	320	183	221
Insurance fees	419	491	509	386	504
Donations	47	41	58	53	7
Write off of property, plant and equipment	37	22	52	45	35
Loss on disposal of property, plant and equipment	80	—	—	—	—
Rental expenses	394	424	437	368	424
IT maintenance expenses	212	211	364	261	348
Telephone expenses	209	255	307	228	249
Vehicle related expenses	115	112	175	75	51
Printing expenses	84	110	105	79	67
NETS/CEPAS transaction charges	111	118	130	97	119
Auditor's remuneration					
— Audit services	137	210	209	180	195
— Non-audit services	92	105	113	75	84
Listing expenses in relation to the Catalist Listing	—	1,558	—	—	—
Listing expenses in relation to the Dual Listing	—	—	—	—	2,938
Others	842	1,371	920	418	1,027
Total	17,236	19,337	20,351	14,366	19,403

Finance Costs

Finance costs primarily represent interest expense on bank borrowings and finance leases for the purchase of our plant and machinery (such as container stakers and car park equipment), logistics equipment (such as prime movers and trailers) and motor vehicles. For the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, our finance costs were S\$0.7 million, S\$0.4 million, S\$0.6 million and S\$0.5 million, respectively.

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Share of Results of Associates and Joint Ventures

A joint venture is an entity in which we have a long term equity interest and over which we are in a position to exercise joint control with the our joint venture partners who we share control of the entity when making decisions regarding the entity that require unanimous consent. Investment in joint ventures are recognised as an investment and accounts for the investment using equity method of accounting.

An associate is an entity that is not accounted for as a subsidiary or a joint venture, over which we have significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Our share of results of associates and joint ventures for the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017 were S\$24,000, S\$26,000, S\$6.7 million, and S\$3.4 million, respectively. For the year ended 30 September 2016, we recorded a share of profit of S\$6.7 million of associates and joint ventures, which was mainly from our proportionate share of the fair value gain recorded on the investment property of Work Plus Store (AMK) which amounted to S\$6.9 million. The substantial increase in the fair value of the investment property held by Work Plus Store (AMK), being 38 Ang Mo Kio, for the year ended 30 September 2016 was primarily due to Work Plus Store (AMK) being able to acquire the property at a price significantly below valuation at that time. See “— Review of Historical Results of Operations — Year ended 30 September 2016 compared to year ended 30 September 2015 — Share of Result of Associates and Joint Ventures” in this section for details. For the nine months ended 30 June 2017, we recorded a share of results of associates and joint ventures of S\$3.4 million as compared to a loss of S\$88,000 for the nine months ended 30 June 2016 primarily due to a non-recurring gain of approximately S\$3.8 million representing our proportionate share of the gain on bargain purchase arising from the acquisition of Four Star.

Fair Value Gain/(Loss) on Investment Properties

Our investment properties primarily comprise properties that we have acquired for our space optimisation business to lease out to our tenants in Singapore and Indonesia. Our investment properties are carried at fair values in the statement of financial position as non-current assets as at each financial statement date based on valuations prepared by independent professional valuers. Changes in fair value are included in our consolidated statements of profit or loss. The fair value gain on investment properties were S\$5.8 million, S\$0.6 million, S\$2.1 million and fair value loss on investment properties was S\$1.4 million for the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, respectively. The fluctuations were primarily due to alteration and addition works performed at our investment properties which increased the GFA and/or NLA of the properties and change in general property market conditions in the relevant jurisdictions. See “— Review of Historical Results of Operations” in this section for details.

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Similarly, changes in fair value of properties held by our joint ventures will also affect our share of results of associates and joint venture in a similar way, which in turn will affect our consolidated statements of profit or loss. In particular, for the year ended 30 September 2016, our proportionate share of the fair value gain of the property held by Work Plus Store (AMK), being 38 Ang Mo Kio, amounted to S\$6.9 million, and was recognized in our consolidated statements of profit or loss as our share of results of associates and joint ventures. See “— Description of Selected Items in Consolidated Statements of Profit or Loss and Total Comprehensive Income” in this section for details.

Income Tax Expense

Income tax expense comprises current income tax and deferred income tax that we have incurred. The following table sets forth a breakdown of our income tax expense for the periods indicated:

	For the year ended 30 September			For the nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(Unaudited)</i>	
Current income tax	1,207	599	973	809	271
Deferred income tax	(8)	(327)	(182)	—	84
	<u>1,199</u>	<u>272</u>	<u>791</u>	<u>809</u>	<u>355</u>
Under/(over) provision in respect of prior years					
— current taxation	101	(58)	225	—	(14)
— deferred taxation	—	—	111	—	—
Income tax expense	<u><u>1,300</u></u>	<u><u>214</u></u>	<u><u>1,127</u></u>	<u><u>809</u></u>	<u><u>341</u></u>

The corporate tax rate applicable to our Company and subsidiaries incorporated in Singapore was 17.0% throughout the Track Record Period. As for our subsidiaries in Thailand and Myanmar, they did not have any chargeable income subject to tax during the Track Record Period. Furthermore, we are not exposed to any significant deferred tax on foreign subsidiaries in Indonesia and Thailand as the business relates mainly to owning of investment properties and provision of chained depot services, respectively. For our subsidiary in Malaysia, there was no significant business activities during the Track Record Period.

The fluctuations of under or over provision of current and deferred taxation during the Track Record Period were mainly due to the differences between the amount of estimated tax deductions and the final amount allowed by the relevant tax authority.

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See also Note 12 of Section II in the Accountant's Report for further details.

We have paid all relevant taxes in accordance with applicable tax laws and regulations, and do not have any disputes or unresolved tax issues with the relevant tax authorities during the Track Record Period.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

Nine months ended 30 June 2017 compared to nine months ended 30 June 2016

Revenue

Our revenue increased by S\$1.0 million, or 1.3%, from S\$78.7 million for the nine months ended 30 June 2016 to S\$79.8 million for the nine months ended 30 June 2017 primarily due to a combined result of:

- the decrease in revenue generated from the industrial properties of S\$7.3 million as (i) four of our master leases (being four industrial properties in the west zone of Singapore) expired and were not renewed during the year ended 30 September 2016, and therefore did not contribute any revenue in the nine months ended 30 June 2017; (ii) two of our master leases (being two industrial properties in the west zone of Singapore) expired and was not renewed during the nine months ended 30 June 2017, and therefore did not have a full period revenue contribution in the nine months ended 30 June 2017; (iii) two of our master leases (namely, 10–40 Tuas South and 18 Penjuru) expired and were renewed towards the end of the year ended 30 September 2016 or during the nine months ended 30 June 2017, and therefore generated less revenue immediately after the master lease renewal, as some of our tenants did not renew their tenancy upon expiry of their tenancy agreement and it took time to market the vacant units to new tenants at the beginning of the renewed master lease; and (iv) the tenancy agreement with one major tenant at 34 Boon Leat Terrace which contributed substantial rental income expired in September 2016 and it took time to market the vacant units to new tenants after the expiry;
- the increase in revenue generated from the residential properties of S\$0.5 million mainly from the full period revenue contribution and higher occupancy rate of our 85SOHO serviced residence in Myanmar launched in March 2016, occupancy rate of which increased from 11.9% for the nine months ended 30 June 2016 to 92.5% for the nine months ended 30 June 2017;
- the increase in revenue generated from our facilities management business of S\$3.5 million primarily due to (i) increase of revenue from car parking services with improved returns of our existing car parks and increase of car park rates amounted to S\$1.0 million mainly from car parks at 34 Boon Leat Terrace, Angullia Park, Grange Road/Somerset Road, Apex@Henderson and Macpherson Mall and a car park at 25 Lorong 8 Toa Payoh which we previously managed, and increase of revenue from six new car parks we obtained and managed amounted to S\$1.1 million (namely, Parliament House, Lorong Bekukong, Golden Mile Tower, Pioneer Lot Singapore Khalsa Association and Tai Po, Hong Kong), and (ii) increase of revenue of S\$1.1 million mainly from three new security contracts secured; and

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- the increase in revenue of S\$4.6 million from our logistics services business primarily due to (i) an increase of revenue from container services of our container depot business of S\$3.0 million mainly arising from the increase in demand of storage and repairs of leasing containers contributed by slow-down of shipments worldwide; and (ii) increase in revenue from our transportation services of S\$1.6 million.

Cost of Sales

Our costs of sales increased by S\$2.9 million, or 4.9%, from S\$57.7 million for the nine months ended 30 June 2016 to S\$60.6 million for the nine months ended 30 June 2017. The increase was primarily due to (i) an increase in upkeep and maintenance costs of our logistics transportation fleet of S\$1.1 million and transportation costs of S\$0.8 million from our logistics services segment which was generally in line with the increase in logistics revenue; (ii) increase in direct labour costs as we increase the number of our employees for our business expansion of S\$0.6 million; and (iii) increase in rental costs of S\$0.3 million.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit decreased by S\$1.8 million from S\$21.0 million for the nine months ended 30 June 2016 to S\$19.2 million for the nine months ended 30 June 2017. Our gross profit margin decreased by 2.6% from 26.7% for the nine months ended 30 June 2016 to 24.1% for the nine months ended 30 June 2017 primarily due to a decrease of our gross profit margin of our industrial and commercial properties as a result of movement of tenants due to expiry of the master leases and increased rental rate of one master lease following renewal, and partially offset by the increase in gross profit margin of our facilities management business and logistics services business.

Other Income

Other income decreased by S\$0.3 million, or 15.2%, from S\$2.1 million for the nine months ended 30 June 2016 to S\$1.8 million for the nine months ended 30 June 2017 primarily due to (i) a decrease of wage credit scheme and special employment credit of S\$0.2 million for the nine months ended 30 June 2017; and (ii) a decrease of government grant of S\$0.1 million received for the nine months ended 30 June 2017.

Other Losses

Other losses increased slightly by S\$0.1 million from S\$42,000 for the nine months ended 30 June 2016 to S\$0.2 million for the nine months ended 30 June 2017 primarily due to an one-off out of court settlement of S\$0.1 million.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by S\$0.6 million, or 43.3%, from S\$1.4 million for the nine months ended 30 June 2016 to S\$0.8 million for the nine months ended 30 June 2017 primarily due a decrease in real estate agent commission of S\$0.6 million.

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Administrative Expenses

Administrative expenses increased by S\$5.0 million, or 34.7%, from S\$14.4 million for the nine months ended 30 June 2016 to S\$19.4 million for the nine months ended 30 June 2017. The increase was primarily due to (i) non-recurring professional fees incurred in connection with the Dual Listing of S\$2.9 million; (ii) increase in employee benefit costs of S\$1.4 million from an increase in the number of employees and our overall salary; (iii) increase in professional fees of S\$0.1 million; (iv) increase in miscellaneous expenses of S\$0.3 million; and (v) increase in foreign exchange loss of S\$0.3 million; and partially offset by decrease in depreciation of S\$0.2 million as the cost of renovation for some sites have been fully depreciated during the lease term.

Finance Cost

Finance cost remained stable at S\$0.5 million for the nine months ended 30 June 2016 and 2017.

Share of Results of Associates and Joint Ventures

Our share of results of associates and joint ventures increased by S\$3.5 million from a loss of S\$88,000 for the nine months ended 30 June 2016 to a gain of S\$3.4 million for the nine months ended 30 June 2017. The increase was primarily due a non-recurring gain of approximately S\$3.8 million representing our proportionate share of the gain on bargain purchase arising from the acquisition of Four Star.

Fair Value Loss on Investment Properties

Fair value on investment properties changed from nil for the nine months ended 30 June 2016 to a loss of S\$1.4 million for the nine months ended 30 June 2017 primarily due to a decrease in valuation of our Kota Kasablanca property located at the fringe of the CBD in Jakarta, Indonesia which amounted to S\$1.0 million arising from the decrease in expected rental rate from the general property market condition in Jakarta, Indonesia. See “Industry Overview — Outlook of Space Optimisation, Facility Management and Logistics Services Market in Selected Regions — Overview of Property Leasing and Space Optimisation Services Markets in Indonesia” in this prospectus for details.

Impairment Loss on Non-current Asset Classified as Held for Sale

Our impairment loss on non-current asset classified as held for sale increased from nil for the nine months ended 30 June 2016 to S\$0.5 million for the nine months ended 30 June 2017 due to decrease in the valuation of the 72 Eunós property.

Profit before Income Tax

As a result of the above, profit before income tax decreased by S\$5.0 million, or 75.1%, from S\$6.7 million for the nine months ended 30 June 2016 to S\$1.7 million for the nine months ended 30 June 2017.

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Income Tax Expense

Our income tax expense decreased from S\$0.8 million for the nine months ended 30 June 2016 to S\$0.3 million for the nine months ended 30 June 2017. The decrease was primarily due to lower taxable income recorded and higher Group's tax relief received during the period.

Profit for the Period

As a result of the above, profit for the year decreased by S\$4.6 million, or 77.4%, from S\$5.9 million for the nine months ended 30 June 2016 to S\$1.3 million for the nine months ended 30 June 2017.

Year ended 30 September 2016 compared to year ended 30 September 2015

Revenue

Our revenue increased by S\$8.3 million, or 8.6%, from S\$96.4 million for the year ended 30 September 2015 to S\$104.7 million for the year ended 30 September 2016. The increase was primarily due to a combined result of:

- the increase in revenue of S\$8.9 million from the full year revenue contribution and increase in occupancy rates of three industrial properties (namely, 18 New Industrial Road, SIX 80 and 18 Tampines) which we secured the master leases during the year ended 30 September 2015. In particular, the increase in revenue of S\$7.2 million from 18 Tampines contributed majority of the increase as 18 Tampines is a large property and it required time to buildup occupancy after optimisation work and commencement of the leasing of the property;
- the decrease in revenue of S\$2.5 million from the reduction of seven industrial properties from our properties portfolio, of which (i) three master leases expired during the year ended 30 September 2015 (being two industrial properties in the west zone of Singapore and one industrial property in the central zone of Singapore), which contributed to a total decrease of S\$0.9 million; and (ii) four master leases expired during the year ended 30 September 2016 (being four industrial properties in the west zone of Singapore), which contributed to a total decrease of S\$1.7 million;
- the increase in revenue of S\$2.7 million from our facilities management business primarily due to (i) increase of revenue from our car parking services with improved returns of our existing ten car parks amounted to S\$1.4 million (namely, Health Promotion Board, 18 Tampines, 22 New Industrial Road, 34 Boon Leat Terrace, 43 Keppel Road, Gilman Barracks, 2 Jalan Kilang Barat, SIX 80, 11 Chang Charn Road and Tuas Vista); (ii) increase of revenue from four new car parks which commenced operation during the year ended 30 September 2016 (namely, 8 Mattar Road,

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Apex@Henderson, Macpherson Mall, and Lorong Bekukong) amounted to S\$0.5 million; and (iii) increase of revenue of S\$0.7 million from new security contracts secured during the year ended 30 September 2016;

- the increase in revenue of S\$0.9 million from our logistics services business primarily due to increase in container depot business as we start to build-up the usage of the container depot services in Singapore; and
- the decrease in revenue of S\$1.8 million from our residential properties primarily as a net effect from (i) the decrease of revenue due to the expiry of a managing agent contract of one residential property at 15 Robin Road in October 2015; and (ii) an increase of occupancy rate at 85SOHO serviced residence from nil for the year ended 30 September 2015 to 27.0% for the year ended 30 September 2016.

Cost of Sales

Our cost of sales increased by S\$4.3 million, or 5.9%, from S\$72.9 million for the year ended 30 September 2015 to S\$77.2 million for the year ended 30 September 2016. The increase was primarily due to (i) increase in rental costs of S\$3.1 million as a result of full year rental cost incurred for three industrial properties (namely, 18 New Industrial Road, SIX 80 and 18 Tampines), which we secured the master lease leases during the year ended 30 September 2015; and (ii) increase in direct labour costs as a result of increase in headcount, overtime payment and salary increment of about 4.7%.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased by S\$4.1 million, or 17.3%, from S\$23.4 million for the year ended 30 September 2015 to S\$27.5 million for the year ended 30 September 2016. Our gross profit margin increased by 2.0% from 24.3% for the year ended 30 September 2015 to 26.3% for the year ended 30 September 2016 primarily due to an increase of our profit margin of our industrial properties from higher rental income and an improvement of profit margin of our facilities management business from existing car park sites and rental costs.

Other Income

Other income increased by S\$0.3 million, or 11.2%, from S\$2.7 million for the year ended 30 September 2015 to S\$3.0 million for the year ended 30 September 2016. The increase was primarily due to an increase of foreign exchange gain of S\$0.3 million from revaluation of SGD denominated loan in Indonesian subsidiary.

Other Losses

Other losses, representing impairment loss on trade and other receivables and bad debt, remained relatively stable at S\$0.4 million and S\$0.3 million for the years ended 30 September 2015 and 2016, respectively.

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Selling and Distribution Expenses

Selling and distribution expenses decreased by S\$0.5 million, or 22.3%, from S\$2.3 million for the year ended 30 September 2015 to S\$1.8 million for the year ended 30 September 2016 primarily due to the decrease of advertising costs of S\$0.5 million as we did not have any launch of major marketing projects in 2016 as we did not launch any major property that year.

Administrative Expenses

Administrative expenses increased by S\$1.1 million, or 5.2%, from S\$19.3 million for the year ended 30 September 2015 to S\$20.4 million for the year ended 30 September 2016. The increase was primarily due to (i) an increase of employee benefit cost from an increase of headcount, salary adjustment and bonus and incentive paid during the year; and (ii) an increase of depreciation of our property, plant and equipment, with the increase of properties in our property portfolio and partially offset by the decrease in listing expense as no listing expense in relation to Catalist Listing was incurred during the year.

Finance Cost

Finance cost slightly increased by S\$0.2 million from S\$0.4 million for the year ended 30 September 2015 to S\$0.6 million for the year ended 30 September 2016.

Share of Result of Associates and Joint Ventures

Our share of results of associates and joint ventures increased by S\$6.7 million from S\$26,000 for the year ended 30 September 2015 to S\$6.7 million for the year ended 30 September 2016. The increase was primarily due to the fair value gain on investment properties of 38 Ang Ko Kio of S\$6.9 million for the year ended 30 September 2016. The substantial increase in the fair value of the investment property Work Plus Store (AMK), being 38 Ang Mo Kio, for the year ended 30 September 2016 was primarily due to the property acquired by Work Plus Store (AMK) was at a price significantly below valuation at that time. To the best of the information, knowledge and belief of our Directors, Work Plus Store (AMK) was able to secure a low purchase price for the acquisition of the property since the vendor, a semiconductor company whose parent company is listed on the Tokyo Stock Exchange, had decided to cease its manufacturing operations in Singapore which it had previously carried out at 38 Ang Mo Kio, and wished to exit its investment as soon as possible. Furthermore, we first became aware the property was put up for sale in May 2015 and we signed our sale and purchase agreement in December 2015. We also believe the passage of time since the property has been put up for sale and the execution of the sale and purchase agreement also contributed to the low purchase price that we have been able to negotiate with the vendor on arm's length basis.

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Fair Value Gain on Investment Properties

Fair value gain on investment properties increased by S\$1.5 million from S\$0.6 million for the year ended 30 September 2015 to S\$2.1 million for the year ended 30 September 2016. For the year ended 30 September 2016, we recorded a fair value gain on investment properties of S\$2.1 million, which was mainly from the fair value gain of 100 Eunos of S\$2.1 million due to a 49.4% increase in GFA following extension and renovation works as approved by URA, which increased our expected future revenue to be generated from 100 Eunos and the hypothetical selling price of 100 Eunos if the property will be sold based on recent transaction prices of comparable properties, and therefore, increased the market value of 100 Eunos. Another investment property of our Group which is situated in the proximity of 100 Eunos, being 72 Eunos, recorded nil fair value gain during the year ended 30 September 2016, as no substantial renovation work was performed on the property during the year. As of 30 September 2016, the fair value of 72 Eunos and 100 Eunos as recorded in our audited financial statements were S\$20.0 million (comprising of property, plant and equipment of S\$6.7 million and investment properties of S\$13.3 million) and S\$19.5 million (comprising of property, plant and equipment of S\$3.7 million and investment properties of S\$15.8 million), respectively. As such, there was no material difference in the fair value of 72 Eunos and 100 Eunos as of 30 September 2016.

Our proportionate Share of fair value gain of an investment property held by one of our joint ventures has also been reflected in our consolidated statement of profit or loss as our share of result of associates and joint ventures. See “— Review of Historical Results of Operations — Year ended 30 September 2016 compared to year ended 30 September 2015 — Share of Result of Associate and Joint Ventures” for details.

Profit before Income Tax

As a result of the above, profit before income tax increased by S\$11.9 million, or 280.2%, from S\$4.3 million for the year ended 30 September 2015 to S\$16.2 million for the year ended 30 September 2016.

Income Tax Expense

Our income tax expense increased by S\$0.9 million, or 426.6%, from S\$0.2 million for the year ended 30 September 2015 to S\$1.1 million for the year ended 30 September 2016. The increase was primarily due to higher taxable profits and lesser utilisation of our Group’s tax relief as compared to the previous year.

Profit for the Year

As a result of the above, profit for the year increased by S\$11.0 million, or 272.5%, from S\$4.1 million for the year ended 30 September 2015 to S\$15.1 million for the year ended 30 September 2016.

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Year ended 30 September 2015 compared to year ended 30 September 2014

Revenue

Our revenue increased by S\$5.7 million, or 6.2%, from S\$90.7 million for the year ended 30 September 2014 to S\$96.4 million for the year ended 30 September 2015. The increase was primarily due to a combined result of:

- the increase in revenue of S\$5.4 million from increase in rental revenue of our five existing industrial properties (namely, Tuas Vista, 566 Woodlands, and two industrial properties in the west zone of Singapore). In particular, for the year ended 30 September 2015, the increased occupancy rate of Tuas Vista and an industrial property in the west zone of Singapore which contributed to increase in rental, and the full year revenue contribution of 566 Woodlands Tan Chong Industrial Park and an industrial property in the west zone of Singapore;
- the increase in revenue of S\$2.3 million due to (i) a new master lease of 215 Upper Bukit Timah secured in July 2014 generated full year income during year ended 30 September 2015 of S\$1.2 million; and (ii) a higher rental rate of seven commercial properties (namely, 10 Raeburn Park, Lot 228 Woodlands Burghley Lifestyle Hub, Phoenix Park, 1557 Keppel and a commercial property in the east zone of Singapore) from a combination of new tenants and renewal of tenancy with higher rental rate;
- the increase in revenue of S\$1.3 million from our facilities management business primarily due to (i) increase of revenue from our car parking services with improved returns of our existing car parks of S\$0.1 million (namely, car parks at 34 Boon Leat Terrace, Tan Chong Industrial Park, Gillman Barracks and a car park at 25 Lorong 8 Toa Payoh which we previously managed); (ii) the addition of six new car parks amounted to S\$0.6 million (namely, Health Promotion Board, Tuas Vista, 11 Chang Charn Road, 2 Jalan Kilang Barat, 18 Tampines and The Sports Stage) managed by us; and (iii) increase of revenue of S\$0.8 million from new security contracts secured during the year ended 30 September 2015;
- the increase in revenue of S\$3.0 million from our logistics services business primarily due to increase in revenue generated from (i) our transportation services of S\$0.5 million from the increase in transportation services engaged by our customers, such as increase in distance transported; and (ii) container depot business of S\$2.4 million; and
- the decrease in revenue of S\$6.3 million primarily due to the expiry of a managing agent contract of one residential property in the west zone of Singapore in August 2014.

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Cost of Sales

Our cost of sales increased by S\$7.2 million, or 11.0%, from S\$65.7 million for the year ended 30 September 2014 to S\$72.9 million for the year ended 30 September 2015. The increase was primarily due to (i) the increase of rental costs of S\$4.2 million for new sites secured (namely, 18 New Industrial Road, SIX 80, 18 Tampines and two industrial properties in the west zone of Singapore) and managed under our space optimisation business which included an adjustment of rental cost for free fitting out period of 18 Tampines whereby the effective rental costs were recognised since June 2015 and rental costs for car parks in our facilities management business; and (ii) the increase of container depot management charges for our container depot business, which commenced during the year ended 30 September 2015.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit decreased by S\$1.6 million, or 6.3%, from S\$25.0 million for the year ended 30 September 2014 to S\$23.4 million for the year ended 30 September 2015. Our gross profit margin decreased by 3.3% from 27.6% for the year ended 30 September 2014 to 24.3% for the year ended 30 September 2015 primarily due to a decrease of 6.9% of our profit margin of our industrial properties from higher rental cost and free fittings period adjustment during the year.

Other Income

Other income increased by S\$0.5 million, or 23.7%, from S\$2.2 million for the year ended 30 September 2014 to S\$2.7 million for the year ended 30 September 2015. The increase was primarily due to a higher payouts of special employment credit, wage credit scheme and government grants received during the year.

Other Losses

Other losses increased by S\$0.3 million, from S\$0.1 million for the year ended 30 September 2014 to S\$0.4 million for the year ended 30 September 2015 primarily due to the increase in impairment loss of trade and other receivables.

Selling and Distribution Expenses

Selling and distribution expenses increased by S\$1.3 million, or 138.1%, from S\$1.0 million for the year ended 30 September 2014 to S\$2.3 million for the year ended 30 September 2015 primarily due to the increase of advertising costs of S\$0.4 million for three of our new industrial properties as we increased our advertising efforts to increase tenancy and agent commission of S\$0.9 million for new master leases secured during the year.

Administrative Expenses

Administrative expenses increased by S\$2.1 million, or 12.2%, from S\$17.2 million for the year ended 30 September 2014 to S\$19.3 million for the year ended 30 September 2015. The increase was primarily due to listing expense for our Catalist Listing.

Finance Cost

Finance cost decreased slightly by S\$0.3 million from S\$0.7 million for the year ended 30 September 2014 to S\$0.4 million for the year ended 30 September 2015.

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Share of Result of Associates and Joint Ventures

Our share of results of associates and joint ventures remained relatively stable at S\$24,000 for the year ended 30 September 2014 and S\$26,000 for the year ended 30 September 2015.

Fair Value Gain on Investment Properties

Fair value gain on investment properties decreased by S\$5.2 million from S\$5.8 million for the year ended 30 September 2014 to S\$0.6 million for the year ended 30 September 2015. The decrease was primarily as a result of no fair value gain recognised for our industrial properties in Singapore as compared to the previous year. For the year ended 30 September 2014, we recorded a fair value gain on investment properties of S\$5.8 million, which was from (i) the fair value gain of Singapore Handicrafts Building of S\$3.8 million due to increased GFA and NLA following building extension and renovation works, which increased our expected future revenue to be generated from Singapore Handicraft Building and therefore, increased the market value of Singapore Handicraft Building, and (ii) the fair value gain of Kota Kasablanka of S\$2.0 million due to the rapid increase of rental rate of commercial properties in Indonesia in 2013 and 2014 arising from the general property market condition in Indonesia, which in turn increased our expected future revenue to be generated from Kota Kasablanka and therefore increased the market value of Kota Kasablanka. See also “Industry Overview — Outlook of Space Optimisation, Facility Management and Logistics Services Market in Selected Regions — Overview of Property Leasing and Space Optimisation Services Markets in Indonesia” in this prospectus for historical and forecasted rental index in Indonesia.

Profit before Income Tax

As a result of the above, profit before income tax decreased by S\$9.7 million, or 69.5%, from S\$14.0 million for the year ended 30 September 2014 to S\$4.3 million for the year ended 30 September 2015.

Income Tax Expense

Our income tax expense decreased by S\$1.1 million, or 83.5%, from S\$1.3 million for the year ended 30 September 2014 to S\$0.2 million for the year ended 30 September 2015. The decrease was primarily due to lower taxable profits and higher utilisation of our Group’s tax relief and enhancements in productivity and innovation credit allowances in Singapore as compared to the previous year.

Profit for the Year

As a result of the above, profit for the year decrease by S\$8.7 million, or 68.1%, from S\$12.7 million for the year ended 30 September 2014 to S\$4.1 million for the year ended 30 September 2015.

FINANCIAL INFORMATION

DISCUSSION OF SELECTED ITEMS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Trade and Other Receivables

Our trade and other receivables during the Track Record Period primarily relate to outstanding amounts receivable by us from our customers and tenants, and deposits with external parties, which are mainly security deposits paid to lessors or landlords of our properties, utilities service providers and potential lessors or potential sellers for property sites, deposit for the acquisition of our joint venture, loans to our joint ventures for financing acquisition of properties and other deposits such as for vehicle rental and equipment rental.

The following table sets out a breakdown of our trade and other receivables as at the dates indicated:

	As at 30 September			As at
	2014	2015	2016	30 June 2017
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables:				
— Third parties	5,250	6,159	7,079	8,477
— Related parties	116	233	298	139
— Associated company	4	4	—	—
— Joint ventures	—	—	—	279
	<u>5,370</u>	<u>6,396</u>	<u>7,377</u>	<u>8,895</u>
Accrued rental income	<u>745</u>	<u>1,406</u>	<u>1,197</u>	<u>982</u>
Goods and services tax receivables	635	1,372	389	522
Deposits with external parties	2,661	4,784	3,836	3,536
Unpaid deposits from customers	701	382	209	—
Tax recoverable	16	84	90	—
Other receivables	<u>402</u>	<u>425</u>	<u>512</u>	<u>192</u>
	<u>4,415</u>	<u>7,047</u>	<u>5,036</u>	<u>4,250</u>
Less: impairment loss on trade receivables	(308)	(494)	(766)	(692)
Less: impairment loss on other receivables	<u>—</u>	<u>(9)</u>	<u>(15)</u>	<u>(16)</u>
	<u>(308)</u>	<u>(503)</u>	<u>(781)</u>	<u>(708)</u>
Net trade and other receivables	<u>10,222</u>	<u>14,346</u>	<u>12,829</u>	<u>13,419</u>

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Our trade and other receivables increased by S\$4.1 million, or 40.3%, from S\$10.2 million as at 30 September 2014 to S\$14.3 million as at 30 September 2015 primarily due to an increase in the rental deposits we paid to our landlords for new sites that we secured during the year ended 30 September 2015 and an increase in trade receivables which is in line with the increase in revenue.

Our trade and other receivables decreased by S\$1.5 million, or 10.6%, from S\$14.3 million as at 30 September 2015 to S\$12.8 million as at 30 September 2016 primarily due to decrease in net goods and services tax receivables and deposits paid to our landlords and utilities suppliers, and partially offset by an increase in trade receivables which is inline with the growth of our space optimisation business.

Our trade and other receivables increased by S\$0.6 million, or 4.6%, from S\$12.8 million as at 30 September 2016 to S\$13.4 million as at 30 June 2017 primarily due to increase in our revenue generated from our facilities management business and logistics services business, which have longer credit period than the average turnover days of trade receivables for the financial year ended 30 September 2016, which increased from 24 days to 28 days for the nine months ended 30 June 2017.

We generally require all of our tenants of our space optimisation business to pay their rentals on the first day of each month and we generally grant our customers of our other businesses credit terms of up to 60 days. Therefore, our credit terms ranges between 0 to 60 days.

The table below sets out the ageing analysis of our trade receivables based on invoice date as at the dates indicated:

	<u>As at 30 September</u>			<u>As at</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>30 June 2017</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Current	1,987	2,078	2,085	2,875
1 to 30 days	1,789	2,170	2,508	2,260
31 to 60 days	497	658	552	1,200
61 to 90 days	158	245	159	533
91 to 180 days	451	640	856	514
181 days to 365 days	219	416	287	600
Over 365 days	<u>269</u>	<u>189</u>	<u>930</u>	<u>913</u>
	<u>5,370</u>	<u>6,396</u>	<u>7,377</u>	<u>8,895</u>

For the years ended 30 September 2014, 2015 and 2016 and the nine months ended 30 June 2017, our impairment loss on trade receivables amounted S\$0.1 million, S\$0.4 million, S\$0.3 million and S\$29,000, respectively.

FINANCIAL INFORMATION

Based on our internal records, as at 31 October 2017, being the latest practicable date for this disclosure, S\$6.5 million, or 73.1%, of our trade receivable as at 30 June 2017 was settled. The following table sets out the average turnover days of our trade receivables for the years or period indicated:

	<u>For the year ended 30 September</u>			<u>For the nine</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>months ended</u>
				<u>30 June 2017</u>
Average turnover days of our trade receivables	<u>23</u>	<u>22</u>	<u>24</u>	<u>28</u>

Note: Average trade receivable turnover days is calculated by the average opening and closing trade receivable balances for the year or period divided by revenue and multiplied by the number of calendar days for the year or period.

Our average turnover days of trade receivables were relatively stable ranging from 22 days to 24 days during the three years ended 30 September 2016 and then increased slightly to 28 days during the nine months ended 30 June 2017 primarily due to an increase of trade receivables of our customers under facilities management business and logistics business with longer credit terms.

Trade and Other Payables

Our trade and other payables during the Track Record Period primarily relate to trade payables, rental deposits received from tenants of our space optimisation business, accruals such as utilities, site expenses, and other professional fees, and accrued rental expenses.

FINANCIAL INFORMATION

The following table sets out a breakdown of our trade and other payables as at the dates indicated:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables				
— Third parties	1,389	2,650	2,103	3,715
— Related parties	28	137	2	117
— A director of subsidiaries	12	9	—	—
Total trade payables	1,429	2,796	2,105	3,832
Other payables and accruals				
Goods and services tax payables	613	662	546	565
Non-trade amount owing to a subsidiary	4	—	—	—
Amount owing to a director of subsidiaries	1,105	166	26	14
Provision for directors' fees	—	94	42	31
Accruals	2,761	3,982	3,868	4,197
Accrued rental expenses	551	2,392	3,384	4,102
Rental deposits received from customers	12,083	13,928	14,244	12,352
Rental deposits received from related parties	222	142	140	72
Rental received in advance	836	658	442	390
Advances received from customers	892	899	839	787
Unpaid deposits	779	382	186	220
Dividend payable	2,000	—	—	—
Withholding tax	5	37	37	85
Sundry creditors	317	328	531	168
Other payables	165	—	7	18
Total trade and other payables	23,762	26,466	26,397	26,833
Less non-current portion: other payables	(165)	—	(7)	(18)
Total trade and other payables included in current liabilities	<u>23,597</u>	<u>26,466</u>	<u>26,390</u>	<u>26,815</u>

FINANCIAL INFORMATION

Our trade and other payables increased by S\$2.9 million, or 12.2%, from S\$23.6 million as at 30 September 2014 to S\$26.5 million as at 30 September 2015 primarily due to an increase of our trade payables to third parties, an increase of other payables which mainly consists of rental deposits from our customers for new rentals and an increase in accrued rental expenses for 15 new properties in 2015 and partially offset by decreased dividends payable as at 30 September 2015.

Our trade and other payables remained relatively stable as at 30 September 2016 as compared to 30 September 2015 at S\$26.4 million and S\$26.5 million, respectively. Our trade and other payables then increased by S\$0.4 million, or 1.6% from S\$26.4 million as at 30 September 2016 to S\$26.8 million as at 30 June 2017 mainly due to non-recurring listing expenses incurred in connection with the Listing and an increase of trade payables regarding renovation works and information technology expenses.

The table below sets out the ageing analysis of our trade payables based on invoice date as at the dates indicated:

	<u>As at 30 September</u>			<u>As at</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>30 June</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
0 to 30 days	770	1,381	1,438	3,330
31 to 60 days	307	605	288	390
61 to 90 days	11	362	75	10
Over 90 days	<u>341</u>	<u>448</u>	<u>304</u>	<u>102</u>
	<u>1,429</u>	<u>2,796</u>	<u>2,105</u>	<u>3,832</u>

Based on our internal records, as at 31 October 2017, being the latest practicable Date for this disclosure, S\$3.8 million, or 98.5%, of our trade payables as at 30 June 2017 was settled. The following table sets out the average turnover days of our trade payables for the years or period indicated:

	<u>For the year ended 30 September</u>			<u>For the nine</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>months ended</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>30 June 2017</u>
Average turnover days of our trade payables	<u>12</u>	<u>12</u>	<u>13</u>	<u>15</u>

Note: Average trade payable turnover days is calculated by the average opening and closing trade payables balances for the year or period divided by cost of sales, excluding direct labour costs, and multiplied by the number of calendar days for the year or period.

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Our average turnover days of trade payables were relatively stable ranging from 12 days to 13 days during the three years ended 30 September 2016 and then increased slightly to 15 days during the nine months ended 30 June 2017 due to an increase of trade payables.

LIQUIDITY AND CAPITAL RESOURCES

Financial Resources

Our use of cash primarily relates to our operating activities, capital expenditures, finance cost, repayment of bank borrowings and expansion of our business operations. During the Track Record Period, we have financed our operations primarily through a combination of cash flow generated from our operations, capital contribution, bank borrowings, finance leases and proceeds from the Catalist Listing. We are able to repay our obligations when they become due. We did not experience material difficulties in renewing our banking facilities during the Track Record Period. We currently expect that there will not be any material change in our sources of cash and use of cash after the Listing, and additional funds are expected to be available from the proceeds of the Global Offering for implementing our future plans as detailed in “Future Plans and Use of Proceeds” in this prospectus.

Cash Flow

The following table sets out a summary of our consolidated statement of cash flows for the periods indicated:

	For the year ended 30 September			For the nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(unaudited)</i>	
Net cash generated from operating activities	11,195	7,650	13,382	5,448	4,136
Net cash used in investing activities	(2,408)	(20,558)	(15,280)	(5,590)	(6,290)
Net cash (used)/generated from financing activities	<u>(7,698)</u>	<u>23,148</u>	<u>(2,842)</u>	<u>(3,093)</u>	<u>(1,937)</u>
Net increase/(decrease) in cash and cash equivalents	1,089	10,240	(4,740)	(3,235)	(4,091)
Cash and cash equivalents at the beginning of the year/period	13,352	14,425	24,637	24,637	19,926
Exchange (losses)/gains on cash and cash equivalents	<u>(16)</u>	<u>(28)</u>	<u>29</u>	<u>16</u>	<u>(17)</u>
Cash and cash equivalents at the end of the year/period	<u><u>14,425</u></u>	<u><u>24,637</u></u>	<u><u>19,926</u></u>	<u><u>21,418</u></u>	<u><u>15,818</u></u>

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Net cash generated from operating activities

We derived our cash flow from operating activities principally from leasing our properties under the space optimisation business, and from our facilities management operations and logistics services operations. Cash used in operating activities mainly comprises rental costs to our landlords and payroll.

Net cash generated from operating activities amounted to S\$4.1 million for the nine months ended 30 June 2017 was a combined result of S\$5.0 million of operating profit before working capital changes, interest expenses paid of S\$0.5 million, income tax paid of S\$1.4 million, income tax refund of S\$0.7 million and changes in working capital primarily from decrease in trade and other receivables of S\$0.3 million due to a decrease in prepayment of rental expenses.

Net cash generated from operating activities amounted to S\$13.4 million for the year ended 30 September 2016 was a combined result of S\$14.3 million of operating profit before working capital changes, interest expenses paid of S\$0.4 million, income tax paid of S\$1.7 million, income tax refunded of S\$0.6 million and change in working capital primarily from decrease in trade and other receivables of S\$1.0 million due to decrease in net goods and services tax receivables and deposits paid to our landlords and utilities suppliers, and partially offset by an increase in trade receivables which is in line with the growth of our space optimisation business, and decrease in trade and other payables of S\$0.6 million.

Net cash generated from operating activities amounted to S\$7.7 million for the year ended 30 September 2015 was a combined result of S\$9.7 million of operating profit before working capital changes, interest expenses paid of S\$0.4 million, income tax paid of S\$0.9 million, income tax refunded of S\$91,000 and change in working capital primarily from increase in trade and other receivables of S\$6.1 million due to an increase in the rental deposits we paid to our landlords for new sites that we secured during the year ended 30 September 2015 and an increase in trade receivables which is in line with the increase in revenue, and increase in trade and other payables of S\$5.2 million due to an increase of our trade payables to third parties, an increase of other payables which mainly consists of rental deposits from our customers for new rentals and an increase in accrued rental expenses for new properties in 2015 and partially offset by decreased dividends payable as at 30 September 2015.

Net cash generated from operating activities amounted to S\$11.2 million for the year ended 30 September 2014 was a combined result of S\$14.1 million of operating profit before working capital changes, interest expenses paid of S\$0.7 million, income tax paid of S\$1.8 million, income tax refunded of S\$1.1 million and change in working capital primarily from decrease in trade and other receivables of S\$2.6 million, and decrease in trade and other payables of S\$4.1 million.

FINANCIAL INFORMATION

Net cash used in investing activities

Net cash used in investing activities amounted to S\$6.3 million for the nine months ended 30 June 2017 was primarily attributable to a S\$3.6 million for the purchase of property, plant and equipment, S\$1.0 million for the addition of investment properties and S\$1.7 million advances to joint venture.

Net cash used in investing activities amounted to S\$15.3 million for the year ended 30 September 2016 was primarily attributable to a S\$4.8 million for the purchase of property, plant and equipment, S\$3.0 million for the purchase of investment properties, S\$7.0 million advances to joint venture, S\$0.6 million for incorporation of joint venture and deposit paid for acquisition of joint venture. These were partially offset by proceeds from disposal of property, plant and equipment of S\$0.3 million and interest received of S\$0.1 million.

Net cash used in investing activities amounted to S\$20.6 million for the year ended 30 September 2015 was primarily attributable to a S\$10.7 million for the purchase of property, plant and equipment, S\$10.7 million for the purchase of investment properties, and partially offset by S\$0.6 million from the acquisition of subsidiaries acquired net of cash. The increase in the acquisition of investment properties was related to the expansion from the proceeds of the Catalyst Listing obtained in April 2015.

Net cash used in investing activities amounted to S\$2.4 million for the year ended 30 September 2014 was primarily attributable to a S\$4.8 million for the purchase of property, plant and equipment, S\$0.5 million for the purchase of investment properties, \$0.6 million cash outflow on disposal of investment in a subsidiary and partially offset by proceeds from repayment by fellow subsidiaries of S\$2.9 million and the proceeds from disposal of property, plant and equipment of S\$0.5 million.

Net cash (used in)/generated from financing activities

Net cash used in financing activities amounted to S\$1.9 million for the nine months ended 30 June 2017 was primarily attributable to repayment of finance lease of S\$1.2 million, repayment of borrowings of \$1.3 million and dividends paid of S\$1.6 million, and partially offset by the proceeds from borrowings of S\$2.0 million.

Net cash used in financing activities amounted to S\$2.8 million for the year ended 30 September 2016 was primarily attributable to repayment of finance lease of S\$1.1 million, repayment of borrowings of \$1.5 million and dividends paid of S\$1.8 million, and partially offset by the proceeds from borrowings of S\$2.0 million.

Net cash generated from financing activities amounted to S\$23.1 million for the year ended 30 September 2015 was primarily attributable to proceeds from borrowings of S\$10.3 million, proceeds from pre-IPO convertible borrowings of S\$2.0 million and proceeds from issuance of placement shares of S\$17.0 million, partially offset by the repayment of finance lease of S\$1.4 million, repayment of borrowings of \$0.9 million, repayment to director of subsidiaries of S\$1.1 million and dividends paid of S\$2.0 million.

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Net cash used in financing activities amounted to S\$7.7 million for the year ended 30 September 2014 was primarily attributable to repayment of finance lease of S\$1.1 million, repayment of borrowings of \$5.4 million, repayment to immediate holding company of S\$2.9 million and repayment to a director of subsidiaries of S\$0.9 million, partially offset by proceeds from borrowings of S\$3.0 million.

Net Current Assets

We had net current assets of S\$4.2 million, S\$17.2 million, S\$18.2 million and S\$32.6 million as at 30 September 2014, 2015 and 2016, and as at 30 June 2017, respectively. The table below sets out our current assets and current liabilities as of the dates and periods indicated:

	As at 30 September			As at 30 June	As at 31 October
	2014	2015	2016	2017	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
					<i>(unaudited)</i>
Current assets					
Inventories	315	163	18	76	31
Trade and other receivables	10,222	14,346	12,829	13,419	13,217
Loans to joint ventures	—	—	7,002	8,747	10,518
Prepayments	985	3,212	3,652	2,824	3,508
Cash and bank balances	14,417	15,604	19,926	15,818	12,878
Fixed deposit	<u>5,583</u>	<u>14,680</u>	<u>5,706</u>	<u>5,576</u>	<u>6,173</u>
	31,522	48,005	49,133	46,460	46,325
Non-current asset classified as held for sale	<u>—</u>	<u>—</u>	<u>—</u>	<u>19,500</u>	<u>—</u>
Total current assets	<u>31,522</u>	<u>48,005</u>	<u>49,133</u>	<u>65,960</u>	<u>46,325</u>
Current liabilities					
Trade and other payables	23,597	26,466	26,390	26,815	25,792
Provision for reinstatement cost	—	—	—	152	169
Finance lease liabilities	1,331	1,534	1,363	1,562	1,722
Borrowings	824	1,420	1,817	3,897	4,397
Current income tax liabilities	<u>1,565</u>	<u>1,347</u>	<u>1,350</u>	<u>949</u>	<u>1,265</u>
Total current liabilities	<u>27,317</u>	<u>30,767</u>	<u>30,920</u>	<u>33,375</u>	<u>33,345</u>
Net current assets	<u><u>4,205</u></u>	<u><u>17,238</u></u>	<u><u>18,213</u></u>	<u><u>32,585</u></u>	<u><u>12,980</u></u>

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Our net current assets increased from S\$4.2 million as at 30 September 2014 to S\$17.2 million as at 30 September 2015. The increase was primarily attributable to cash flow we generated from our operations, and proceeds from the placing shares for the Catalist Listing deposited at our bank and partially offset by increase in trade and other payables.

Our net current assets increased from S\$17.2 million as at 30 September 2015 to S\$18.2 million as at 30 September 2016. The increase was primarily attributable to increase in loans to joint ventures and cash flow we generated from our operations.

Our net current assets further increased from S\$18.2 million as at 30 September 2016 to S\$32.6 million as at 30 June 2017. The increase was primarily attributable to the reclassification of an investment property of S\$19.5 million to asset held for sale and was partially offset by (i) a decrease in cash and bank balances of S\$4.1 million, which was primarily used to purchase property, plant and equipment and make advances to joint ventures; and (ii) an increase in borrowings of S\$2.1 million.

Working Capital

Our Directors are of the opinion that, taking into account of the financial resources available to us, including our cash generated from operations, available banking facilities, the estimated net proceeds from the Global Offering, and further bank and other borrowings going forward, we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this prospectus.

CAPITAL EXPENDITURE AND COMMITMENT

Our capital expenditure during the Track Record Period primarily related to acquisition of leasehold buildings, renovation works, and furniture fittings of our properties for our space optimisation business, and acquisition of plant and machineries and logistics equipment for our logistic services business.

Our capital expenditures, primarily represented (i) additions to our property, plant and equipment of S\$5.9 million, S\$12.3 million, S\$6.4 million and S\$5.7 million, respectively; and (ii) acquisition of investment properties of S\$0.5 million, S\$10.7 million, S\$3.0 million and S\$1.0 million, respectively for the years ended 30 September 2014, 2015 and 2016, and the nine months ended 30 June 2017, respectively.

Planned Capital Expenditures

We expect that our future capital expenditures will increase subsequent to the Track Record Period as we expand our business based on our business strategies. Our capital expenditures for the year ended 30 September 2017 is S\$9.4 million as set out in Appendix IA to this prospectus while our planned capital expenditures for the year ending 30 September 2018 is expected to be S\$52.6 million primarily to be used for renovation works of our properties for our space optimisation business and purchase of plant, machineries and equipment for our facilities management business and logistics services business.

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We anticipate that our planned capital expenditures will be financed by cash generated from our operations, hire purchase, bank loans and proceeds from the Global Offering. The estimated amounts of expenditures set out above may vary from the actual amounts of expenditures for a variety of reasons, including changes in market conditions, competition, and other factors.

Our planned capital expenditures for the years ending 30 September 2018 and 2019 are summarised below:

	For the year ending	
	2018	2019
	S\$'000	S\$'000
Space optimisation business		
— Acquisition of an industrial or commercial property in Singapore	23,685	—
— Expansion of current properties portfolio through four master leases in Singapore, Indonesia, Myanmar and the PRC, respectively	2,379	2,918
Facilities management business		
— Expansion of car park management business in Hong Kong and Singapore	106	—
— Setting up an office in Hong Kong	121	
Logistics services business		
— Setting up an ISO tank depot and self-use logistics vehicle parking yard in Singapore	25,185	—
— Setting up an additional container depot in Thailand	1,167	—
	52,643	2,918

Our current plan with respect to future capital expenditures is subject to change based on the evolution of our business plan, including potential acquisitions, progress of our projects, market conditions and our outlook of future business conditions. As we continue to expand, we may incur additional capital expenditures. Our ability to obtain additional funding in the future is subject to a variety of uncertainties including our future results of operations, economic, political and other conditions in the Singapore, Indonesia, Thailand, Myanmar, Hong Kong and the PRC, government policies relating to our industry and relevant rules and regulations regarding debt and equity

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financing in these jurisdictions. Other than as required by law, we do not undertake any obligation to publish updates of our capital expenditure plans. See “Forward-looking Statements” in this prospectus.

CAPITAL COMMITMENTS

Our capital commitments primarily relate to the acquisition of logistics equipment. The following table sets out a summary of our capital commitments as at the dates indicated:

	As at 30 September			As at 30 June
	2014	2015	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Property, plant and equipment	—	—	1,226	552
	<u>—</u>	<u>—</u>	<u>1,226</u>	<u>552</u>

OPERATING LEASE COMMITMENTS

Commitments as Lessee

We leased majority of the properties from our landlords for our space optimisation business under operating lease arrangements during the Track Record Period. The leases have varying terms, escalation clauses and renewal rights. See “Business — Properties” for more information.

The table below sets out our future minimum operating lease commitments as lessees under non-cancellable operating leases as at the dates indicated:

	As at 30 September			As at 30 June
	2014	2015	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Not later than one year	44,777	48,487	52,893	49,808
Between one and five years	56,249	67,880	84,323	95,616
Later than five years	<u>11,177</u>	<u>24,891</u>	<u>13,749</u>	<u>3,938</u>
	<u>112,203</u>	<u>141,258</u>	<u>150,965</u>	<u>149,362</u>

Commitments as Lessor

As part of our space optimisation business, we leased out investment properties to non-related parties under non-cancellable operating leases. The lessees are required to pay either absolute fixed annual increase to the lease payments or contingent rents computed based on their sales achieved during the lease period.

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The table below sets out our future minimum operating lease commitments as lessor under non-cancellable operating leases as at the dates indicated:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Not later than one year	52,398	56,963	46,416	39,816
Between one and five years	32,489	32,553	26,877	26,995
Later than five years	<u>7,590</u>	<u>1,699</u>	<u>699</u>	<u>—</u>
	<u>92,477</u>	<u>91,215</u>	<u>73,992</u>	<u>66,811</u>

INDEBTEDNESS

Bank Borrowings

We primarily obtained bank borrowings to finance our acquisition of properties and logistics equipment. We also have a revolving loan for our short-term finance needs. Our borrowings as at 30 September 2014, 2015 and 2016, and 30 June 2017 were denominated in Singapore dollars. The interest charged on these borrowings ranges from 1.5% to 4.8% per annum during the Track Record Period and the interest rate is re-priced monthly. The amounts repayable within one year is included under current liabilities and the amount payable after one year is included under non-current liabilities.

As at 30 September 2014, 2015, and 2016, and 30 June 2017, we had outstanding bank borrowings of approximately S\$10.1 million, S\$19.5 million, S\$20.0 million and S\$20.8 million, respectively. These borrowings were secured by (i) legal mortgage of leasehold properties at 100 Eunos Avenue 7 and 72 Eunos Avenue 7; (ii) corporate guarantees by the Company and LHN Group; and (iii) assignment of rental proceeds of the mortgaged properties.

See Note 33 of Section II in the Accountant's Report for details.

As at 31 October 2017, being the latest practicable date for the purpose of determining indebtedness, the Group had bank borrowings of S\$20.6 million. The bank borrowings were secured by (i) legal mortgage of leasehold properties at 100 Eunos Avenue 7 and 72 Eunos Avenue 7; (ii) corporate guarantees by the Company and LHN Group; and (iii) assignment of rental proceeds of the mortgaged properties.

As of 31 October 2017, the Group had undrawn bank facilities of S\$12.3 million.

FINANCIAL INFORMATION

Finance Lease Liabilities

Our finance lease liabilities primarily consisted of finance lease for our property, plant and equipment from Independent Third Parties. The lease agreements do not have any renewal clause but provide us with options to purchase the leased assets at nominal value at the end of the lease term. Our finance lease liabilities as at 30 September 2014, 2015 and 2016, and 30 June 2017 were dominated in Singapore dollars.

As at 30 September 2014, 2015 and 2016, and 30 June 2017, we had finance lease liabilities of approximately S\$4.2 million, S\$3.8 million, S\$3.8 million and S\$4.2 million, respectively. The obligations under the finance lease are secured by the underlying assets of plant and machinery, logistics equipment and motor vehicles, personal guarantees from a director of a non-wholly owned subsidiary of our Group, who is also a shareholder of such subsidiary and not a Controlling Shareholder, proportional to such director's shareholding in the non-wholly owned subsidiary, and corporate guarantees by our Group.

See Note 32 of Section II in the Accountant's Report for details.

As of 31 October 2017, being the latest practicable date for the purpose of determining indebtedness, the carrying amounts of finance lease liabilities of S\$5.0 million were secured by the underlying assets of certain plant and machinery, logistics equipment and motor vehicles, personal guarantees from a director of a non-wholly owned subsidiary of our Group, who is also a shareholder of such subsidiary, proportional to such director's shareholding in the non-wholly owned subsidiary, and corporate guarantees provided by our Group.

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans, default in payment of bank borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

Contingent Liabilities

As at 30 September 2014, 2015 and 2016, and 30 June 2017, our Group did not have any material contingent liabilities and off-balance sheet commitments and arrangements, except for the commitments set forth above.

Save as disclosed above, as at 31 October 2017, being the latest practicable date for determining our indebtedness, we did not have any other outstanding loan capital, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities.

Our Directors confirm that there has not been any material change in our indebtedness and contingent liabilities since 31 October 2017.

FINANCIAL INFORMATION

OTHER BALANCE SHEET ITEM

Investment in and loans to Joint Ventures

As at 30 September 2014, 2015, 2016 and 30 June 2017, our investment in joint ventures amounted to nil, nil, S\$7.3 million and S\$11.3 million, respectively. Our investment in joint ventures as at 30 September 2016 amounted to S\$7.3 million, which was primarily from our proportionate share of fair value gain of the property acquired by Work Plus Store (AMK) of approximately S\$6.9 million following the post-acquisition valuation of the property. Our investment in joint ventures increased from S\$7.3 million as at 30 September 2016 to S\$11.3 million as at 30 June 2017. The increase was primarily due to our proportionate share of difference between the cost of investment and net asset value of Four Star, a joint venture acquired by us in October 2016. The difference between the cost of investment and net asset value was mainly due to the bargain purchase price for the acquisition negotiated on an arm's length basis.

As at 30 September 2016 and 30 June 2017, our loans to joint ventures amounted to S\$7.0 million and S\$8.7 million, respectively, as we commenced to set-up joint ventures with our joint venture partners only in 2016. Our loans to the joint ventures represent our proportional share for the acquisition of the target joint venture property whereas our joint venture partners will also provide loans to the joint ventures representing their proportional share. For the year ended 30 September 2016, we provide loans to Work Plus Store (AMK) and Metropolitan Parking for the purchase of property at 38 Ang Mo Kio, Singapore and a car park in Singapore, respectively. For the nine months ended 30 June 2017, we provided loan to Metropolitan Parking as working capital and loan to Four Star for the renovation of the property held by Four Star and as working capital. According to the agreements with our joint venture partners, we and our joint venture partner each provided loans in equal portion to our joint venture companies for their operations. Our loans to joint ventures will be repaid in equal portion to our joint venture partners and us, as and when the board of directors of the respective joint venture companies decides to considering factors such as cash flow and results of operations. As such, it is expected that our loans to our joint venture companies will not be fully repaid before the Listing.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we have certain operating lease commitments arising from properties leased by us and properties that we leased out. See “— Operating Lease Commitments” in this section for details. Save as disclosed in this paragraph, as of the Latest Practicable Date, we had not entered into any other off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

For details of related party transactions, see Note 37 of Section II to the Accountant's Report in Appendix I to this prospectus. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and on normal commercial terms. Our Directors are of the view that the related party transactions did not cause any distortion of our results of operations or make our historical results non-reflective in the Track Record Period.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios during the Track Record Period:

	<i>Notes</i>	<u>As at/for the year ended 30 September</u>			<u>As at/for the</u>
		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>nine months</u>
					<u>ended</u>
					<u>30 June 2017</u>
Current ratio	<i>1</i>	1.2	1.6	1.6	2.0
Quick ratio	<i>2</i>	1.1	1.6	1.6	2.0
Gearing ratio	<i>3</i>	43.8%	42.1%	34.2%	36.0%
Debt to equity ratio	<i>4</i>	Net cash	Net cash	Net cash	5.2%
Return on equity	<i>5</i>	48.1%	9.2%	24.2%	N/A
Return on total assets	<i>6</i>	18.1%	4.5%	13.2%	N/A
Interest coverage ratio	<i>7</i>	20.8	10.6	28.0	4.7

Notes:

- (1) Current ratio equals total current assets (including non-current asset classified as held for sale) divided by total current liabilities.
- (2) Quick ratio equals total current assets (including non-current asset classified as held for sale), net of inventories, divided by total current liabilities.
- (3) Gearing ratio equals total debt divided by total equity and multiplied by 100%. Total debt comprises our bank borrowings and finance lease payables.
- (4) Debt to equity ratio equals net debt divided by total equity and multiplied by 100%. Net debt represents our bank borrowings and finance lease payables less fixed deposits and cash and bank balances.
- (5) Return on equity equals net profit for the period divided by average balance of total equity of the relevant period and multiplied by 100%. Average balance is calculated as the sum of the opening and ending balances of the relevant period divided by two. Calculation on return on equity is on a full year basis.
- (6) Return on total assets equals net profit for the period divided by average balance of total assets of the relevant period. Average balance is calculated as the sum of the opening and ending balances of the relevant period divided by two. Calculation return on total assets is on a full year basis.
- (7) Interest coverage ratio equals profit before interest and tax divided by interest expense for the relevant period.

Current Ratio

Our current ratio increased from 1.2 as at 30 September 2014 to 1.6 as at 30 September 2015. The increase was primarily attributable to cash flow we generated from operations and increase in bank deposits of our proceeds from the placing of our Shares for the Catalist Listing, and partially offset by the increase in trade and other payables. Our current ratio remained stable at 1.6 as at 30 September 2016 and then increased to 2.0 as at 30 June 2017 which was mainly due to a reclassification of an investment property of S\$19.5 million to asset held for sale.

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Quick Ratio

As our inventories were S\$315,000, S\$163,000, S\$18,000 and S\$76,000 as at 30 September 2014, 2015 and 2016, and 30 June 2017 respectively, there were no material differences between our current ratios and quick ratios during the Track Record Period.

Gearing Ratio

Our gearing ratio remained stable at 43.8% and 42.1% as at 30 September 2014 and 2015, respectively. The gearing ratio decreased from 42.1% as at 30 September 2015 to 34.2% as at 30 September 2016 primarily due to the increase in shareholders' equity of S\$14.1 million as profits accumulated in retained earnings. The gearing ratio increased from 34.2% as at 30 September 2016 to 36.0% as at 30 June 2017 primarily due to an increase in total debts of S\$1.2 million.

Debt to Equity Ratio

As at 30 September 2014, 2015 and 2016, we had cash and cash equivalents in excess of our bank borrowings and finance lease payables. As at 30 June 2017, our debt to equity ratio was 5.2% due to a slight decrease in cash and bank balances.

Return on Equity

Our return on equity decreased from 48.1% for the year ended 30 September 2014 to 9.2% for the year ended 30 September 2015 primarily due to decrease in profit for the year of S\$8.7 million and the average total equity increased by S\$17.6 million due to the increase of share capital for the allotment and issue of shares for the placement under the Catalist Listing. Our return on equity then increased to 24.2% for the year ended 30 September 2016 primarily due to an increase in profit for the year of S\$11.0 million.

Return on Total Assets

Our return on total assets decrease from 18.1% for the year ended 30 September 2014 to 4.5% for the year ended 30 September 2015 primarily due to decrease in profit for the year of S\$8.7 million, and an increase in investment properties of S\$10.7 million as at 30 September 2015. Our return on total assets then increase to 13.2% for the year ended 30 September 2016 primarily due to an increase in profit for the year of S\$11.0 million.

Interest Coverage Ratio

Our interest coverage ratio decreased from 20.8 for the year ended 30 September 2014 to 10.6 for the year ended 30 September 2015 primarily due to decrease in profit before income tax of S\$9.7 million. Our interest coverage ratio then increased to 28.0 for the year ended 30 September 2016 primarily due to increase in profit before income tax of S\$11.9 million.

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Our interest coverage ratio then decreased to 4.7 for the nine months ended 30 June 2017 due to a relative decrease of profit in first nine months of 2017 compared to the full year result in 2016.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

See Note 3 in Section II of the Accountant's Report in Appendix I to this prospectus for our financial risk factors.

DIVIDENDS

For the years ended 30 September 2014, 2015 and 2016, our Group declared dividends to our Shareholders of S\$2.0 million, S\$1.1 million and S\$2.3 million, respectively, out of the distributable profit and all these dividends had been paid as at Latest Practicable Date. For the year ended 30 September 2017, our Board has proposed a final dividend of 0.2 Singapore cents per Share, which will be subject to the approval by Shareholders at the forthcoming annual general meeting. Our Shareholders are only entitled to receive dividends when declared by our Board, which will be subject to our constitution and approvals from our Shareholders, if required. Our Directors are of the view that the amount of any dividends to be declared in the future will depend on, among others, our Group's results of operations, cash flows and financial conditions, operating and capital requirements, availability of dividends received from our subsidiaries, the amount of distributable profits based on the generally accepted accounting principles in Singapore, the applicable laws and regulations and all other relevant factors. Currently, Singapore does not impose withholding tax on dividends paid to resident or non-resident Shareholders. See "Regulatory Overview — Overview of Singapore Tax Law and Regulations" for further details.

We do not have any pre-determined dividend payout ratio. Dividends for our Shares listed on the Hong Kong Stock Exchange will be paid in Hong Kong dollars, and dividends for our Shares listed on the SGX-ST will be paid in Singapore dollars.

DISTRIBUTABLE RESERVES

As at 30 June 2017, our Company had reserves available for distribution to our Shareholders of approximately S\$15.5 million. See Note 27 in Section II of the Accountant's Report in Appendix I to this prospectus for details.

LISTING-RELATED EXPENSES INCURRED AND TO BE INCURRED

Listing expenses represent professional fees, underwriting commission, SFC transaction levy and Hong Kong Stock Exchange trading fee incurred in connection with the Global Offering and the Listing. Assuming an Offer Price of HK\$2.13 per Offer Share (being the mid-point of the indicative Offer Price range), our total listing expenses is estimated to be approximately S\$5.9 million, of which S\$1.4 million is directly attributable to the issue of new Shares and to be accounted for as a deduction from the equity, and the remaining amount of S\$4.5 million has been or will be recognised in our consolidated statements of profit or loss and comprehensive income.

FINANCIAL INFORMATION

Listing expenses of S\$2.9 million, in relation to services already performed by relevant parties, were reflected in our consolidated statement of profit or loss and comprehensive income for the nine months ended 30 June 2017, and an additional of S\$1.6 million is expected to be recognised subsequent to the Track Record Period and upon Listing. As such, our results of operations for the year ending 30 September 2017 is expected to be adversely affected by the listing expenses incurred in the period.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following is our unaudited pro forma statement of adjusted net tangible assets of our Group which has been prepared in accordance with Rule 4.29 of the Listing Rules and on the basis of notes set out below for the purpose of illustrating the effect of the Global Offering on the net tangible assets of our Group attributable to equity holders as of 30 June 2017 as if the Global Offering had taken place on 30 June 2017.

This unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of our Group as at 30 June 2017 or at any future dates after the Global Offering. It is prepared based on our audited consolidated net assets as at 30 June 2017 as set out in the Accountant's Report in Appendix I to this prospectus, and adjusted as described below:

	Audited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 June 2017 <i>(Note 1)</i>	Estimated net proceeds from the Global Offering <i>(Note 2)</i>	Unaudited pro forma adjusted net tangible assets attributable to equity holders of the Company as at 30 June 2017	Unaudited pro forma adjusted net tangible assets per Share	
	S\$'000	S\$'000	S\$'000	S\$	HK\$
Based on an Offer Price of HK\$1.90 per Share	<u>69,283</u>	<u>11,026</u>	<u>80,309</u>	<u>0.200</u>	<u>1.147</u>
Based on an Offer Price of HK\$2.36 per Share	<u>69,283</u>	<u>14,184</u>	<u>83,467</u>	<u>0.207</u>	<u>1.193</u>

Notes:

- (1) The audited consolidated net tangible assets attributable to equity holders of the Company as at 30 June 2017 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net assets of the Group attributable to equity holders of the Company as at 30 June 2017 of S\$69,283,000.

FINANCIAL INFORMATION

- (2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK\$1.90 and HK\$2.36 per Offer Share, being the lower end to higher end of the Offer Price range respectively, after the deduction of the underwriting fees and other listing related expenses payable by the Company (excluding listing expenses of S\$2,938,000 charged to the consolidated statements of profit or loss up to 30 June 2017), and takes no account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme or (iii) issued or repurchased by the Company pursuant to the general mandate.
- (3) The unaudited pro forma net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 402,445,400 Shares were in issue (adjusted by 1,411,800 treasury Shares) assuming that the Global Offering had been completed on 30 June 2017 but takes no account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by the Company pursuant to the general mandate. On 30 November 2017, 1,411,800 treasury Shares have been cancelled.
- (4) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 June 2017.
- (5) For the purpose of this unaudited pro forma adjusted net tangible assets, the balances stated in Singapore dollars are converted into Hong Kong dollars at a rate of S\$1 to HK\$5.75. No representation is made that Singapore dollar amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirmed that they are not aware of any circumstances that would give rise to a disclosure requirement under Rule 13.11 to 13.19 of the Listing Rules.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

See “Summary — Recent Development and No Material Adverse Change” in this prospectus for details.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

Please refer to the section headed “Business — Our Business Strategies” in this prospectus for a detailed discussion of our future plans.

USE OF PROCEEDS

Our Directors believe that the Listing will enhance our profile and recognition. In addition, the Board is also of the view that despite net proceeds of approximately HK\$55.6 million from the Global Offering after deducting the underwriting commissions and other estimated offering expenses payable by us, and assuming the initial Offer Price of HK\$2.13 per Share, being the mid-point of the indicative Offer Price range set forth on the cover page of this prospectus, the Listing and the Global Offering will provide us with additional avenues to raise capital for our future business expansion and long-term development, and expand and diversify our Company’s shareholders base as institutional funds and retail investors in Hong Kong can easily participate in the equity of our Company. The net proceeds from the Global Offering will strengthen our financial position.

We intend to use the net proceeds from the Global Offering for the purposes and in the amounts set out below:

- approximately 60.4%, or HK\$33.6 million, is expected to be used for the expansion of our space optimisation business by acquiring a new property in Singapore;
- approximately 23.9%, or HK\$13.3 million, is expected to be used for acquiring a property in Singapore to operate a parking yard for our logistics vehicles and ISO tank depot for storage of empty ISO tanks and ISO tanks filled with oil, oil-related products and chemicals, for our logistics services management business;
- approximately 4.0%, or HK\$2.2 million, is expected to be used to set out our first operation in the PRC, in particular, our co-work and co-living space;
- approximately 10.0%, or HK\$5.6 million, is expected to be used for general working capital purposes; and
- approximately 1.7%, or HK\$0.9 million, is expected to be used for acquiring transportation equipment for our logistics services business.

To the extent that our net proceeds are either more or less than expected, for instance, in the event that the Offer Price is set at the high-end of the indicative Offer Price range or the Offer Price is set at the low-end of the indicative Offer Price range, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

FUTURE PLANS AND USE OF PROCEEDS

If the Offer Price is set at the high-end or low-end of the proposed Offer Price range, the net proceeds from the Global Offering will increase or decrease by approximately HK\$9.1 million, respectively. We intend to apply the additional net proceeds to the above uses in the proportions stated above.

To the extent that the net proceeds from the Global Offering are not immediately applied to the above purposes, we intend to deposit such net proceeds into interest-bearing bank accounts with licensed banks and/or authorised financial institutions in Hong Kong so long as it is in our interest.

UNDERWRITING

HONG KONG UNDERWRITERS

Pacific Foundation Securities Limited

Fortune (HK) Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is initially offering for subscription of the Hong Kong Offer Shares at the Offer Price under the Hong Kong Public Offering, on and subject to the terms and conditions set forth in this prospectus and the Application Forms. The Hong Kong Underwriters have agreed, severally, but not jointly, on and subject to the terms and conditions in the Hong Kong Underwriting Agreement, to procure subscribers for, or failing which they shall subscribe for, the Hong Kong Offer Shares.

The Hong Kong Underwriting Agreement is subject to various conditions, which include, without limitation:

- (a) the Listing Committee granting listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus; and
- (b) the International Underwriting Agreement having been executed, becoming unconditional and not having been terminated.

Grounds for termination

The respective obligations of the Hong Kong Underwriters to subscribe for, or procure subscribers for, the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination. The Joint Bookrunners may in their absolute discretion terminate the Hong Kong Underwriting Agreement with immediate effect by written notice to our Company at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date if:

- (a) there shall develop, occur, exist or come into effect:
 - (i) any material change or prospective change (whether or not permanent) in the business or in the financial or trading position of our Group; or
 - (ii) any change or development involving a prospective change or development, or any event or series of event resulting or representing or likely to result in any change or development involving a prospective change or deterioration (whether or not permanent) in local, national, regional or international financial, political, military, industrial, economic, legal framework, regulatory, fiscal, currency, credit or market

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conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets) in or affecting any of Hong Kong, Singapore, Myanmar, Indonesia, Thailand, Malaysia, the PRC, Denmark, Cambodia or any other jurisdictions where any member of our Group is incorporated or operates (collectively, the “Relevant Jurisdictions”); or

- (iii) any material deterioration of any pre-existing local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions in or affecting any of the Relevant Jurisdictions; or
- (iv) any new laws or any change or development involving a prospective change in existing laws or any change or development involving a prospective change in the interpretation or application thereof by any court or governmental authority in or affecting any of the Relevant Jurisdictions; or
- (v) a change or development or event involving a prospective change in taxation or exchange control (or in the implementation of any exchange control) or foreign investment regulations in or affecting any of the Relevant Jurisdictions adversely affecting an investment in shares; or
- (vi) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or crisis involving or affecting any of the Relevant Jurisdictions; or
- (vii) any event, act or omission which gives rise or is likely to give rise to any material liability of any of our Company, Controlling Shareholders and executive Directors under the Hong Kong Underwriting Agreement pursuant to the indemnities contained therein; or
- (viii)(i) any suspension or restriction on dealings in shares or securities generally on the Hong Kong Stock Exchange or the SGX-ST or (ii) any moratorium on commercial banking activities or disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any of the Relevant Jurisdictions; or
- (ix) any event, or series of events, in the nature of force majeure (including without limitation, any acts of God, or series of events or circumstances, beyond the reasonable control of the Underwriters, any acts of government or orders of any courts, strikes, calamity, crisis, lock-outs, fire, explosion, flooding, civil commotion, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, acts of terrorism, declaration of a local, regional, national or international emergency, riot, public disorder, economic sanctions except as disclosed in this prospectus or in the legal memorandum prepared by the Sanctions Law Legal Advisers, outbreaks of diseases, pandemics or epidemics (including,

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without limitation, Severe Acute Respiratory Syndrome, avian influenza A (H5N1), Swine Flu (H1N1), Middle East Respiratory Syndrome or such related or mutated forms)) in or affecting any of the Relevant Jurisdictions; or

- (x) any material change or development involving a prospective change, or a materialisation of any of the risks set out in the section headed “Risk Factors” in this prospectus; or
- (xi) any change in the system under which the value of the Hong Kong dollar is linked to that of the U.S. dollar or a material devaluation of Hong Kong dollar against any foreign currency; or
- (xii) any demand by any creditor for repayment or payment of any material indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or
- (xiii) save as disclosed in this prospectus, a contravention by any member of our Group of the Listing Rules, the Catalist Listing Manual or applicable laws; or
- (xiv) a prohibition on our Company for whatever reason from allotting the Offer Shares pursuant to the terms of the Global Offering; or
- (xv) non-compliance of this prospectus or any aspect of the Global Offering with the Listing Rules, the Catalist Listing Manual or any other applicable laws; or
- (xvi) an order or a petition is presented for the winding-up or liquidation of any member of our Group or any member of our Group making any composition or arrangement with its creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager being appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto in respect of any member of our Group; or
- (xvii) any expert has withdrawn or sought to withdraw its consent to being named in this prospectus or to the issue of this prospectus; or
- (xviii) any material loss or damage sustained by any member of our Group; or
- (xix) save as disclosed in this prospectus, any litigation or claim of material importance of any third party being instigated against any member of our Group; or
- (xx) a Director being charged with an indictable offence or prohibited by the operation of law or otherwise disqualified from taking part in the management of a company; or
- (xxi) the executive chairman of our Company vacating his office; or

UNDERWRITING

- (xxii) the commencement by any governmental, regulatory or judicial body or organisation of any action against a Director or a member of the senior management as set out in the section headed “Directors and Senior Management” in this prospectus, in his or her capacity as such or an announcement by any governmental, regulatory or judicial body or organisation that it intends to take any such action; or
- (xxiii) any matter or event resulting in a breach of any of the warranties, representations or undertakings contained in the Hong Kong Underwriting Agreement or there has been a material breach of any other provisions thereof; or
- (xxiv) a contravention by any Director of the Listing Rules, the Companies Ordinance or any other laws applicable to the Global Offering; or
- (xxv) the issue or requirement to issue by our Company of a supplement or amendment to this prospectus and/or any other documents in connection with the contemplated subscription and sale of the Offer Shares) pursuant to the Companies (WUMP) Ordinance or the Listing Rules, the Catalist Listing Manual or any requirement or request of the Hong Kong Stock Exchange and/or the SFC and/or the SGX-ST,

which in the sole and absolute opinion of the Joint Bookrunners (for themselves and on behalf of the Hong Kong Underwriters):

- (a) is or will or may have an adverse effect on the assets, liabilities, business, general affairs, management, shareholders’ equity, profits, losses, results of operation, financial, trading or other condition or prospects or risks of the Group taken as a whole; or
- (b) has or will or may have an adverse effect on the success of the Global Offering or the level of Offer Shares being applied for or accepted or the distribution of Offer Shares; or
- (c) is or will or may make it impracticable, inadvisable, inexpedient or not commercially viable (i) for any material part of the Hong Kong Underwriting Agreement, the International Underwriting Agreement, and/or the Global Offering to be performed or implemented in accordance with its terms; or (ii) to proceed with or to market the Global Offering on the terms and in the manner contemplated in this prospectus; or
- (d) has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with the terms thereof or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

UNDERWRITING

- (b) the Joint Bookrunners or any of the Hong Kong Underwriters shall become aware of the fact that, or have cause to believe that:
- (i) any of the warranties given by our Company, Controlling Shareholders and executive Directors under the Hong Kong Underwriting Agreement or pursuant to the International Underwriting Agreement is untrue, inaccurate, misleading or breached in any material respect when given or as repeated, or has been declared or determined by any court or governmental authorities to be illegal, invalid or unenforceable in any material respect; or
 - (ii) any statement contained in this prospectus, the Application Forms, the formal notice or any announcement or advertisement issued by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was or is untrue, incorrect or misleading in any material respect, or any matter arises or is discovered which would, if such document were to be issued at that time, constitute a material omission therefrom, or that any forecasts, expressions of opinion, intention or expectation expressed in such document are not, in all material aspects, fair and honest and based on reasonable assumptions, when taken as a whole; or
 - (iii) there has been a material breach on the part of any of our Company, Controlling Shareholders and executive Directors of any of the obligations of the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
 - (iv) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, constitute a material omission therefrom; or
 - (v) any material adverse change or development involving a prospective change in the assets, liabilities, conditions, business affairs, prospects, profits, losses or financial or trading position or performance of any member of our Group; or
 - (vi) approval by the Listing Committee and/or the SGX-ST of the listing of, and permission to deal in, the Offer Shares to be issued or sold under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
 - (vii) any loss or damage has been sustained by any member of the Group (howsoever caused and whether or not the subject of any insurance or claim against any person) which is considered by the Joint Bookrunners (for themselves and on behalf of the other Underwriters) in their sole absolute opinion to be material; or
 - (viii) we withdraw this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering.

UNDERWRITING

Undertakings to the Hong Kong Underwriters

Undertakings by our Company

Our Company has undertaken to the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters, and each of our Controlling Shareholders and executive Directors has undertaken to and covenants with the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that he/it will procure our Company that:

- (a) not at any time during the six months period after the Listing Date (the “First Six-month Period”), issue or create any mortgage, pledge, charge or other security interest or any rights in favour of any other person over, directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest therein (including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any Shares or securities of our Company) or repurchase any Shares or securities of our Company or grant any options, warrants or other rights to subscribe for any Shares or other securities of our Company or agree to do any of the foregoing, except pursuant to the Global Offering or the exercise of any options to be granted under the Share Option Scheme or under Note (2) to Rule 10.07 of the Listing Rules;
- (b) not at any time within the period of six months immediately following the expiry of the First Six-month Period (the “Second Six-month Period”) do any of the acts set out in (a) above such that any of our Controlling Shareholders, directly or indirectly, would cease to be a controlling shareholder of our Company (within the meaning defined in the Listing Rules); and
- (c) in the event that our Company does any of the acts set out in clause (a) during the Second Six-month Period, take all steps to ensure that any such act, if done, shall not create a disorderly or false market for any Shares or other securities of our Company or any interest therein.

Provided that none of the above undertakings shall (a) restrict our Company’s ability to sell, pledge, mortgage or charge any share capital or other securities of or any other interest in any of its subsidiaries provided that such sale or any enforcement of such pledge, mortgage or charge will not result in such subsidiaries ceasing to be a subsidiary of our Company; or (b) restrict any of the subsidiaries of the Company from issuing any share capital or other securities thereof or any other interests therein provided that any such issue will not result in that subsidiary ceasing to be a subsidiary of our Company.

Undertakings by our Controlling Shareholders

Each of our Controlling Shareholders has represented, warranted and undertaken to the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and our Company that, except pursuant to the Global Offering and unless in compliance with the Listing

UNDERWRITING

Rules, he or it shall not, without the prior written consent of the Joint Bookrunners (for themselves and on behalf of the Hong Kong Underwriters), directly or indirectly, and shall procure that none of his or its close associates (as defined in the Listing Rules) or companies controlled by him or it or any nominee or trustee holding in trust for him or it shall, during the First Six-month Period:

- (a) offer for sale, sell, transfer, contract to sell, or otherwise dispose of (including without limitation by the creation of any option, right, warrant to purchase or otherwise transfer or dispose of, or any lending, charges, pledges or encumbrances over, or by entering into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise)) any of the Shares (or any interest therein or any of the voting or other rights attaching thereto) in respect of which he or it is shown in this prospectus to be the beneficial owner (directly or indirectly) or any other securities convertible into or exchangeable for or which carry a right to subscribe, purchase or acquire any such Shares (or any interest therein or any of the voting or other rights attaching thereto); or
- (b) enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of the acquisition or ownership of any such Shares (or any interest therein or any of the voting rights or other rights attaching thereto) or such securities, at any time during the First Six-month Period, save as provided under note (2) to Rule 10.07(2) of the Listing Rules and subject always to compliance with the provisions of the Listing Rules, and in the event of a disposal of any Shares (or any interest therein or any of the voting rights or other rights attaching thereto) or such securities at any time during the Second Six-month Period, (1) such disposal shall not result in any of our Controlling Shareholders ceasing to be our controlling shareholder (as defined in the Listing Rules) of our Company at any time during the Second Six-month Period; and (2) he or it shall take all steps to ensure that any such act, if done, shall not create a disorderly or false market for any Shares or other securities of our Company or any interest therein.

Without prejudice to our Controlling Shareholders' undertaking above, each of the Controlling Shareholders undertakes to the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and our Company that within the First Six-month Period and the Second Six-month Period he or it shall:

- (a) if and when he or it pledges or charges, directly or indirectly, any Shares (or any interest therein or any of the voting rights or other rights attaching thereto) or other securities of our Company beneficially owned by him or it (or any beneficial interest therein), immediately inform our Company, the Sole Sponsor, the Joint Bookrunners and the Hong Kong Underwriters in writing of such pledge or charge together with the number of such Shares or other securities so pledged or charged; and

UNDERWRITING

- (b) if and when he or it receives indications, either verbal or written, from any pledgee or chargee that any Shares (or any interest therein or any of the voting rights or other rights attaching thereto) or other securities of our Company (or any beneficial interest therein) pledged or charged by him or it will be disposed of, immediately inform our Company, the Sole Sponsor, the Joint Bookrunners and the Hong Kong Underwriters in writing of such indications.

Our Company shall notify the Hong Kong Stock Exchange as soon as our Company has been informed of such event and shall make a public disclosure by way of announcement in accordance with the Listing Rules.

Undertakings to the Hong Kong Stock Exchange pursuant to the Listing Rules

Undertakings by our Controlling Shareholders

In accordance with Rule 10.07(1) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Hong Kong Stock Exchange and our Company that except pursuant to the Global Offering or unless in compliance with the requirements of the Listing Rules, it or he shall not, and shall procure that the relevant registered holder(s) shall not,

- (i) at any time during the period commencing on the date by reference to which disclosure of its or his shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or other securities of our Company in respect of which it or he is shown by this prospectus to be the beneficial owner; and
- (ii) at any time during the period of six months from the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it or he would cease to be our Controlling Shareholder.

Each of our Controlling Shareholders has further undertaken to us and the Hong Kong Stock Exchange that it or he will, within a period of commencing on the date by reference to which disclosure of its or his shareholding is made in this prospectus and ending on the date which is 12 months from the Listing Date, immediately inform us of:

- (a) any pledges or charges of any Shares or other securities of our Company beneficially owned by any of our Controlling Shareholders in favour of any authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules for a bona fide commercial loan, and the number of such Shares or other securities of our Company so pledged or charged; and

UNDERWRITING

- (b) when it or he or the relevant requested holders receive indication, either verbal or written, from any pledgee or chargee of any Shares or other securities of our Company pledged or charged that any of such securities will be disposed of.

Undertaking by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Hong Kong Stock Exchange that no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued or form the subject of any agreement or arrangement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except pursuant to the Global Offering or in certain circumstances prescribed by Rule 10.08 of the Listing Rules which includes the grant of options and the issue of Shares pursuant to the Share Option Scheme.

International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that our Company, our Controlling Shareholders and executive Directors will enter into the International Underwriting Agreement with the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the International Underwriters and other parties (if any) on terms and conditions that are substantially similar to the Hong Kong Underwriting Agreement as described above and on the additional terms described below.

Under the International Underwriting Agreement, subject to the conditions set forth therein, the International Underwriters are expected to severally, but not jointly, agree to procure subscribers and purchasers to subscribe for or purchase, or failing which they shall subscribe for or purchase, the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors shall be reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. The International Underwriting Agreement is conditional on and subject to the Hong Kong Underwriting Agreement having been executed, becoming unconditional and not having been terminated. It is expected that pursuant to the International Underwriting Agreement, our Company and Controlling Shareholders will make similar undertakings as those given pursuant to the Hong Kong Underwriting Agreement as described in the paragraph headed “Undertakings to the Hong Kong Underwriters” above in this section.

UNDERWRITING

Commission, fees and expenses

The Hong Kong Underwriters will receive a gross underwriting commission (including praecipium, if any) of 6% of the aggregate Offer Price of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering out of which any sub-underwriting commission, praecipium and selling concession will be paid. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering and any International Offer Shares reallocated from the International Offering to the Hong Kong Public Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the International Underwriters and not the Hong Kong Underwriters.

Based on the Offer Price of HK\$2.13 per Offer Share (being the mid-point of the indicative range of the Offer Price), the aggregate commission, together with Hong Kong Stock Exchange listing fees, SFC transaction levy, Hong Kong Stock Exchange trading fees, legal and other professional fees and printing and other expenses relating to the Global Offering, are estimated to amount to approximately HK\$33.9 million in total, and are payable by our Company.

SOLE SPONSOR'S AND UNDERWRITERS' INTEREST IN OUR COMPANY

The Sole Sponsor will receive a sponsorship fee to the Global Offering. The Joint Bookrunners and the Underwriters will receive an underwriting commission and/or praecipium. Particulars of these underwriting commission and expenses are set forth under the paragraph headed "Commission, fees and expenses" above.

We have appointed Fortune Financial Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules for the period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the full financial year commencing after the Listing Date.

Save as disclosed above, none of the Sole Sponsor and the Underwriters is interested legally or beneficially in any Shares or other securities of our Company or any members of our Group or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase any Shares or other securities of our Company or any members of our Group or has any interest in the Global Offering.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement.

The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering consists of:

- a. the Hong Kong Public Offering of 4,200,000 New Shares (subject to reallocation as mentioned below) in Hong Kong as described below under the paragraph headed “The Hong Kong Public Offering” below; and
- b. the International Offering of 37,800,000 Shares (subject to reallocation as mentioned below) which will conditionally be placed with selected professional, institutional, and other investors under the International Offering.

Investors may apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering, but may not do both.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering may be subject to reallocation as described in the section headed “The Hong Kong Public Offering — Reallocation” below.

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 4,200,000 Hong Kong Offer Shares for subscription (subject to reallocation) at the Offer Price by members of the public in Hong Kong under the Hong Kong Public Offering, representing 10% of the total number of Offer Shares initially available under the Global Offering. The Hong Kong Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent 1.04% of the total issued share capital of our Company immediately following the completion of the Global Offering (without taking into account any Shares which may be allotted and issued upon the exercise of options to be granted under the Share Option Scheme).

The Hong Kong Public Offering is open to all members of the public in Hong Kong as well as to institutional and professional investors. Professional and institutional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed “Conditions of the Global Offering” of this section.

STRUCTURE OF THE GLOBAL OFFERING

Allocation

Allocation of the Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may be allotted more Hong Kong Offer Shares than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 4,200,000 Hong Kong Offer Shares, being 100% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering are liable to be rejected.

Reallocation

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered in the Global Offering if certain prescribed total demand levels are reached. In the event of over-applications in the Hong Kong Public Offering, the Joint Bookrunners (for themselves and on behalf of the Underwriters) shall apply a clawback mechanism following the closing of the application lists on the following basis:

- (a) if the number of Hong Kong Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will be 12,600,000 Offer Shares, representing 30% of the number of the Offer Shares initially available for subscription under the Global Offering;
- (b) if the number of Hong Kong Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will be 16,800,000 Offer Shares, representing 40% of the number of the Offer Shares initially available for subscription under the Global Offering; and
- (c) if the number of Hong Kong Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will

STRUCTURE OF THE GLOBAL OFFERING

be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will be 21,000,000 Offer Shares, representing 50% of the number of the Offer Shares initially available for subscription under the Global Offering.

In each case, the number of Offer Shares allocated to the International Offering will be correspondingly reduced, in such manner as the Joint Bookrunners (for themselves and on behalf of the Underwriters) deems appropriate. In addition, the Joint Bookrunners (for themselves and on behalf of the Underwriters) may in their sole and absolute discretion reallocate Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

If the Hong Kong Offer Shares are not fully subscribed, the Joint Bookrunners (for themselves and on behalf of the Underwriters) will have the discretion (but shall not be under any obligation) to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering in such amount as the Joint Bookrunners (for themselves and on behalf of the Underwriters) deems appropriate. If the International Offer Shares are not fully subscribed or purchased, the Joint Bookrunners (for themselves and on behalf of the Underwriters) will have the discretion (but shall not be under any obligation) to reallocate all or any unsubscribed or un-purchased International Offer Shares to the Hong Kong Public Offering in such amount as the Joint Bookrunners (for themselves and on behalf of the Underwriters) deems appropriate.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or if he or she has been or will be placed or allocated International Offer Shares under the International Offering.

The listing of the Offer Shares on the Hong Kong Stock Exchange is sponsored by the Sole Sponsor. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum offer price of HK\$2.36 per Offer Share in addition to any brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK\$4,767.57 for one board lot of 2,000 Shares. If the Offer Price, as finally determined in the manner described in the paragraph headed "Pricing and allocation" of this section below, is less than the maximum offer price of HK\$2.36 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out below in "How to Apply for Hong Kong Offer Shares."

STRUCTURE OF THE GLOBAL OFFERING

THE INTERNATIONAL OFFERING

Number of Offer Shares offered

Subject to reallocation as described above, the International Offering will consist of 37,800,000 Shares, representing 90% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares initially offered under the International Offering will represent approximately 9.39% of our Company's enlarged issued share capital immediately after completion of the Global Offering.

Allocation

Pursuant to the International Offering, the International Offer Shares will be conditionally placed on behalf of our Company by the International Underwriters or through selling agents appointed by them. The International Offer Shares will be selectively placed to certain professional and institutional and other investors who generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "Pricing and allocation" in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Shares on the Hong Kong Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit, of our Company and our Shareholders as a whole.

The Joint Bookrunners (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Bookrunners so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the clawback arrangement described in the subsection headed "The Hong Kong Public Offering — Reallocation" above and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

PRICING AND ALLOCATION

Determination of the Offer Price

The International Underwriters are soliciting from prospective investors indications of interest in acquiring the Offer Shares in the International Offering. Prospective investors will be required to specify the number of the Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about Wednesday, 20 December 2017, and in any event on or before Wednesday, 27 December 2017, by agreement between the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

Offer Price range

The Offer Price will not be more than HK\$2.36 per Offer Share and is expected to be not less than HK\$1.90 per Offer Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but not expected to be, lowered than the indicative Offer Price range as stated in this prospectus.

Price payable on application

Applicants for Offer Shares under the Hong Kong Public Offering are required to pay, on application, the maximum Offer Price of HK\$2.36 for each Hong Kong Offer Share (plus the brokerage, Hong Kong Stock Exchange trading fee and SFC transaction levy payable on each Offer Share), amounting to a total of HK\$4,767.57 per board lot of 2,000 Offer Shares.

If the Offer Price, as finally determined in the manner described above, is lower than the maximum Offer Price of HK\$2.36 per Offer Share, appropriate refund payments (including the related brokerage, the Hong Kong Stock Exchange trading fee and the SFC transaction levy attributable to the excess application monies) will be made to applicants, without interest.

If, for any reason, our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) are unable to reach agreement on the Offer Price on or before Wednesday, 27 December 2017, the Global Offering will not proceed and will lapse.

Further details are set out in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

Change to Offer Price range

The Joint Bookrunners (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective investors during a book-building process in respect of the International Offering, and with the consent of our Company, reduce the number of the Offer Shares being offered under the Global Offering and/or change the indicative Offer Price range stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering.

In such a case, our Company will, as soon as practicable following the decision to make such change, and in any event not later than the morning of the last day lodging applications under the Hong Kong Public Offering, cause there to be published on the Hong Kong Stock Exchange's website at www.hkexnews.hk and our Company's website at www.lhngroup.com notices of reduction in the number of the Offer Shares and/or the indicative Offer Price range. Upon issue of such a notice, the revised number of the Offer Shares and/or Offer Price range will be final and conclusive and the Offer Price, if agreed upon with our Company, will be fixed within such revised number of the Offer Shares and/or Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the Global Offering statistics, and any other financial information in this prospectus which may change as a result of any such change.

Before submitting applications for Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of an extension or reduction in the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Applicants who have submitted their applications for Hong Kong Offer Shares before such an announcement is made may subsequently withdraw their applications in the event that such an announcement is subsequently made. In the absence of any notice being published in relation to a reduction in the number of the Offer Shares and/or change in the indicative Offer Price range as stated in this prospectus on or before the morning of the last day for lodging applications under the Hong Kong Public Offering, the Offer Price, if agreed upon by the Joint Bookrunners (for themselves and on behalf of the Underwriters) and our Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

Announcement of Offer Price and basis of allocations

Announcement of the final Offer Price, together with the level of indication of interests in the International Offering, and the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares are expected to be published on Thursday, 28 December 2017 in the Hong Kong Stock Exchange's website at www.hkexnews.hk and our Company's website at www.lhngroup.com.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to our Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters), agreeing on the Offer Price. We

STRUCTURE OF THE GLOBAL OFFERING

expect to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date. These underwriting arrangements and the Underwriting Agreements are summarised in the section headed “Underwriting” of this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for the Offer Shares is conditional upon, amongst other things, the satisfaction of all the following conditions:

1. Listing

- (a) The Listing Committee granting the approval of the listing of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the Global Offering (including the Shares which fall to be allotted and issued upon the exercise of options to be granted under the Share Option Scheme) and such listing and permission not subsequently being revoked prior to the commencement of dealings in the Shares on the Hong Kong Stock Exchange; and
- (b) The conditions as set out in the approval-in-principle granted by the SGX-ST in relation to the listing and quotation of the Offer Shares on the main board of the Hong Kong Stock Exchange dated 19 September 2017 being fulfilled on the Business Day immediately before the Listing Date, and such listing approval and permission not subsequently being revoked prior to the commencement of trading of the Shares on the Main Board.

2. International Underwriting Agreement

The execution and delivery of the International Underwriting Agreement on or about the Price Determination Date.

3. Obligations under the Underwriting Agreements

The obligations of the Underwriters under each of the Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of a waiver of any condition(s)) and such obligations not being terminated in accordance with the terms of the Underwriting Agreements.

4. Price determination

The Offer Price having been determined and the execution of the Price Determination Agreement on or before the Price Determination Date.

If, for any reason, the Offer Price is not agreed between us and the Joint Bookrunners (for themselves and on behalf of the Underwriters) on or before 5:00 p.m. on Wednesday, 27 December 2017, the Global Offering will not proceed and will lapse.

STRUCTURE OF THE GLOBAL OFFERING

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming and remaining unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Hong Kong Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by us on the Hong Kong Stock Exchange's website at www.hkexnews.hk and our Company's website at www.lhngroup.com on the next Business Day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in "How to Apply for Hong Kong Offer Shares". In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Offer Shares are expected to be issued on Thursday, 28 December 2017 but will only become valid certificates of title at 8:00 a.m. on Friday, 29 December 2017 provided that (i) the Global Offering has become unconditional in all respects, and (ii) the right of termination as described in the section headed "Underwriting — Underwriting arrangements and expenses — Hong Kong Public Offering — Grounds for termination" in this prospectus has not been exercised.

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made for the Shares to be admitted into CCASS.

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Hong Kong Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, 29 December 2017 it is expected that dealings in Shares on the Hong Kong Stock Exchange will commence at 9:00 a.m. on Friday, 29 December 2017.

The Shares will be traded in board lots of 2,000 Shares each. The stock code of the Shares is 1730.

HOW TO APPLY FOR HONG KONG OFFER SHARES

1. HOW TO APPLY

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Offer Shares.

To apply for Hong Kong Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **HK eIPO White Form** service at www.hkeipo.hk; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Joint Bookrunners, the **HK eIPO White Form** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Hong Kong Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you apply online through the **HK eIPO White Form** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, our Company, the Sole Sponsor and the Joint Bookrunners may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The number of joint applicants may not exceed four and they may not apply by means of **HK eIPO White Form** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you:

- are an existing beneficial owner of Shares in our Company and/or any its subsidiaries;
- are a Director or chief executive officer of our Company and/or any of its subsidiaries;
- are a core connected person (as defined in the Listing Rules) of our Company or will become a core connected person of our Company immediately upon completion of the Global Offering;
- are a close associate (as defined in the Listing Rules) of any of the above; and
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

3. APPLYING FOR HONG KONG OFFER SHARES

Which application channel to use

For Hong Kong Offer Shares to be issued in your own name, either (i) use a **WHITE** Application Form; or (ii) apply online through the designated website of the **HK eIPO White Form** service provider at www.hkeipo.hk under the **HK eIPO White Form** service.

For Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, either (i) complete and sign the **YELLOW** Application Form; or (ii) give **electronic application instructions** to HKSCC via CCASS.

Where to collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 15 December 2017 to 12:00 noon on Wednesday, 20 December 2017 from:

- (i) the following office of the Hong Kong Underwriters:

Pacific Foundation Securities Limited	11/F New World Tower II 16–18 Queen's Road Central Hong Kong
Fortune (HK) Securities Limited	35/F, Office Tower Convention Plaza 1 Harbour Road Wan Chai, Hong Kong

HOW TO APPLY FOR HONG KONG OFFER SHARES

(ii) any of the following branches of DBS Bank (Hong Kong) Limited, the receiving bank for the Hong Kong Public Offering:

<u>District</u>	<u>Head Office/Branch Name</u>	<u>Address</u>
Hong Kong Island	Head Office	G/F, The Center 99 Queen's Road Central Central
	United Centre Branch	Shops 1015–1018 1/F & Shops 2032–2034 2/F, United Centre 95 Queensway Admiralty
Kowloon	Amoy Plaza Branch	Shops G193–195 Amoy Plaza 77 Ngau Tau Kok Road Ngau Tau Kok
	Yau Ma Tei Branch	G/F & 1/F 131–137 Woo Sung Street Yau Ma Tei
New Territories	Kwai Chung Branch	G/F, 1001 Kwai Chung Road Kwai Chung

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 15 December 2017 until 12:00 noon on Wednesday, 20 December 2017 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "**Ting Hong Nominees Limited — LHN Public Offer**" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

- **Friday, 15 December 2017 — 9:00 a.m. to 5:00 p.m.**
- **Saturday, 16 December 2017 — 9:00 a.m. to 1:00 p.m.**
- **Monday, 18 December 2017 — 9:00 a.m. to 5:00 p.m.**

HOW TO APPLY FOR HONG KONG OFFER SHARES

- **Tuesday, 19 December 2017 — 9:00 a.m. to 5:00 p.m.**
- **Wednesday, 20 December 2017 — 9:00 a.m. to 12:00 noon**

The application lists will be open from 11:45 a.m. to 12:00 noon on Wednesday, 20 December 2017, the last application day or such later time as described in “Effect of bad weather on the opening of the application lists” in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **HK eIPO White Form** service, among other things, you (and if you are joint applicants, each of you jointly and severally) for yourself or as an agent or a nominee on behalf of each person for whom you act:

- (i) undertake to execute all relevant documents and instruct and authorise our Company, the Sole Sponsor and/or the Joint Bookrunners, the Joint Lead Managers (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Constitution;
- (ii) agree to comply with the Singapore Companies Act, the Companies Ordinance, the Companies (WUMP) Ordinance and the Constitution;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;
- (vi) agree that none of our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering nor participated in the International Offering;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (viii) agree to disclose to our Company, our Hong Kong Share Registrar, the receiving bank, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective advisors and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters nor any of their respective officers or advisors will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the Laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorise our Company to place your name(s) or the name of HKSCC Nominees, on our Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and our Company and/or its agents to deposit any share certificate(s) into CCASS and/or to send any share certificate(s) and/or any e-Auto Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (xvii) understand that our Company, the Directors, the Sole Sponsor, the Joint Bookrunners and the Joint Lead Managers will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **HK eIPO White Form** Service Provider by you or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional instructions for Yellow Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH HK eIPO WHITE FORM SERVICE

General

Individuals who meet the criteria in “2. Who can apply” section, may apply through the **HK eIPO White Form** service for the Hong Kong Offer Shares to be allotted and registered in their own names through the designated website at *www.hkeipo.hk*.

Detailed instructions for application through the **HK eIPO White Form** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website, you authorise the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

Time for submitting applications under the HK eIPO White Form

You may submit your application online to the **HK eIPO White Form** Service Provider through the designated website at *www.hkeipo.hk* (24 hours daily, except on the last application day) from 9:00 a.m. on Friday, 15 December 2017 until 11:30 a.m. on Wednesday, 20 December 2017 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Wednesday, 20 December 2017 or such later time under the “10. Effect of bad weather on the opening of the application lists” in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

No multiple applications

If you apply by means of **HK eIPO White Form** service, once you complete payment in respect of any electronic application instruction given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under **HK eIPO White Form** more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **HK eIPO White Form** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (WUMP) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (WUMP) Ordinance (as applied by Section 342E of the Companies (WUMP) Ordinance).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Centre
1/F, One & Two Exchange Square
8 Connaught Place
Central Hong Kong

and complete an input request form.

HOW TO APPLY FOR HONG KONG OFFER SHARES

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Joint Bookrunners and our Hong Kong Share Registrar.

*Giving **electronic application instructions** to HKSCC via CCASS*

Where you have given **electronic application instructions** to apply for the Hong Kong Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering;
 - (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
 - (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- confirm that you understand that our Company, the Directors, the Sole Sponsor, the Joint Bookrunners and the Joint Lead Managers will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;
- authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, our Hong Kong Share Registrar, the receiving bank, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective advisors and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application

HOW TO APPLY FOR HONG KONG OFFER SHARES

lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (WUMP) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Hong Kong Public Offering results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Hong Kong Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Law, the Companies Ordinance, the Companies (WUMP) Ordinance and the Constitution of our Company; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of giving **electronic application instructions** to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer

HOW TO APPLY FOR HONG KONG OFFER SHARES

Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee) by crediting your designated bank account; and

- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum purchase amount and permitted numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 1,000 Hong Kong Offer Shares. Instructions for more than 1,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for inputting electronic application instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

- **Friday, 15 December 2017 — 9:00 a.m. to 8:30 p.m. (note 1)**
- **Saturday, 16 December 2017 — 9:00 a.m. to 1:00 p.m. (note 1)**
- **Monday, 18 December 2017 — 9:00 a.m. to 8:30 p.m. (note 1)**
- **Tuesday, 19 December 2017 — 8:00 a.m. to 8:30 p.m. (note 1)**
- **Wednesday, 20 December 2017 — 8:00 a.m. to 12:00 noon (note 1)**

Note:

- (1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, 15 December 2017 until 12:00 noon on Wednesday, 20 December 2017 (24 hours daily, except on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Wednesday, 20 December 2017, the last application day or such later time as described in “10. Effect of bad weather on the opening of the application lists” in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

No multiple applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit.

Any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (WUMP) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (WUMP) Ordinance (as applied by Section 342E of the Companies (WUMP) Ordinance).

Personal data

The section of the Application Form headed “Personal data” applies to any personal data held by our Company, the Hong Kong Share Registrar, the receiving bank, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and any of their respective advisors and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **HK eIPO White Form** service is also only a facility provided by the **HK eIPO White Form** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, the Directors, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **HK eIPO White Form** service will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they

HOW TO APPLY FOR HONG KONG OFFER SHARES

should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Wednesday, 20 December 2017.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Hong Kong Stock Exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

HOW TO APPLY FOR HONG KONG OFFER SHARES

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **HK eIPO White Form** service in respect of a minimum of 1,000 Hong Kong Offer Shares. Each application or **electronic application instruction** in respect of more than 1,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Form or as otherwise specified on the designated website at www.hkeipo.hk.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Hong Kong Stock Exchange trading fee are paid to the Hong Kong Stock Exchange (in the case of the SFC transaction levy, collected by the Hong Kong Stock Exchange on behalf of the SFC). For further details on the Offer Price, see the section headed “Structure of the Global Offering — Pricing and allocation” in this prospectus.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, 20 December 2017. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Wednesday, 20 December 2017 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected timetable” in this prospectus, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Public Offering on Thursday, 28 December 2017 on our Company’s website at www.lhngroup.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers (where appropriate) of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company's website at www.lhngroup.com and the Hong Kong Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Thursday, 28 December 2017;
- from the designated results of allocations website at www.tricor.com.hk/ipo/result with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Thursday, 28 December 2017 to 12:00 midnight on Thursday, 4 January 2018;
- by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, 28 December 2017 to Wednesday, 3 January 2018 (excluding Saturday, Sunday and Public holidays);
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 28 December 2017 to Tuesday, 2 January 2018 at all the receiving banks' designated branches and sub-branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed "Structure of the Global Offering" of this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED HONG KONG OFFER SHARES

You should note the following situations in which the Hong Kong Offer Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to the **HK eIPO White Form** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (WUMP) Ordinance (as applied by Section 342E of the Companies (WUMP) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If our Company or its agents exercise their discretion to reject your application:

Our Company, the Joint Bookrunners, the **HK eIPO White Form** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Offer Shares is void:

The allotment of Hong Kong Offer Shares will be void if the Listing Committee of the Hong Kong Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Offer Shares;
- your Application Form is not completed in accordance with the stated instructions;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- your electronic application instructions through the **HK eIPO White Form** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Joint Bookrunners believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 100% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK\$2.36 per Offer Share (excluding brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with the section headed "Structure of the Global Offering — Conditions of the Global Offering" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on Thursday, 28 December 2017.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Hong Kong Offer Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Hong Kong Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and

HOW TO APPLY FOR HONG KONG OFFER SHARES

- refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee but without interest).

Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on despatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on Thursday, 28 December 2017. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s).

Share certificates will only become valid at 8:00 a.m. on Friday, 29 December 2017 provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal collection

(i) *If you apply using a WHITE Application Form*

If you apply for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from the Hong Kong Share Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 28 December 2017 or such other date as notified by us.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation’s chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

HOW TO APPLY FOR HONG KONG OFFER SHARES

If you apply for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Thursday, 28 December 2017, by ordinary post and at your own risk.

(ii) *If you apply using a YELLOW Application Form*

If you apply for 1,000,000 Hong Kong Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Thursday, 28 December 2017, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Thursday, 28 December 2017, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS participant (other than a CCASS Investor Participant)*

For Hong Kong Offer Shares credited to your designated CCASS participant's stock account (other than a CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allotted to you with that CCASS participant.

- *If you are applying as a CCASS Investor Participant*

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in "Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 28 December 2017 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) *If you apply through the HK eIPO White Form service*

If you apply for 1,000,000 Hong Kong Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from the Hong Kong Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 28 December 2017, or such other date as notified by our Company as the date of despatch/collection of Share certificates/e-Auto Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

HOW TO APPLY FOR HONG KONG OFFER SHARES

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on Thursday, 28 December 2017 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via electronic application instructions to HKSCC

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of share certificates into CCASS and refund of application monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Thursday, 28 December 2017, or, on any other date determined by HKSCC or HKSCC Nominees.
- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in "11. Publication of results" above on Thursday, 28 December 2017. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 28 December 2017 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the

HOW TO APPLY FOR HONG KONG OFFER SHARES

procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Thursday, 28 December 2017. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Hong Kong Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Thursday, 28 December 2017.

15. ADMISSION OF THE SHARES INTO CCASS

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

LISTINGS

Our Company currently has a primary listing of our Shares on the Catalist board of the SGX-ST, which we intend to maintain alongside our proposed dual primary listing of our Shares on the Main Board of the Hong Kong Stock Exchange. Application has been made to the Listing Committee for the listing of, and permission to deal in (i) all of our Shares in issue and listed on the Catalist board of the SGX-ST; (ii) the Offer Shares to be issued pursuant to the Global Offering; and (iii) the Shares which may be allotted and issued upon the exercise of any options which may be granted pursuant to the Share Option Scheme.

REGISTRATION

The Singapore Principal Share Register is maintained in Singapore by Boardroom Corporate & Advisory Services Pte. Ltd.. Our Company has established a Hong Kong Branch Share Register in Hong Kong which is maintained by our Hong Kong Share Registrar, Tricor Investor Services Limited.

Certificates in respect of our Shares registered on the Hong Kong Branch Share Register will, as far as practicable, and unless otherwise requested, be issued in board lots of 2,000 Shares. The Singapore Principal Share Registrar will keep in Singapore duplicates of the Hong Kong Branch Share Register, which will be updated from time to time.

CERTIFICATES

Only certificates for Shares issued by the Hong Kong Share Registrar will be valid for delivery in respect of dealings effected on the Hong Kong Stock Exchange. Certificates for Shares issued by the Singapore Principal Share Registrar will be valid for delivery in respect of dealings effected on the SGX-ST. For ease of identification, the certificates for Shares issued by the Hong Kong Share Registrar will be light pink in colour and the certificates for Shares currently issued by the Singapore Principal Share Registrar is brown in colour.

DEALINGS

Dealings in our Shares on the Hong Kong Stock Exchange and the SGX-ST will be conducted in Hong Kong dollars and Singapore dollars, respectively. Our Shares are traded on the Catalist board of the SGX-ST in board lots of 100 Shares and will be traded on the Hong Kong Stock Exchange in board lots of 2,000 Shares. The stock code of our Shares on the Hong Kong Stock Exchange will be 1730.

The transaction costs of dealings in our Shares on the Hong Kong Stock Exchange include a Hong Kong Stock Exchange trading fee of 0.005%, a SFC transaction levy of 0.0027%, a transfer instrument stamp duty of HK\$5 on the seller per transfer instrument and ad valorem stamp duty on both the buyer and the seller charged at the rate of 0.1% each of the consideration or, if higher, the fair value of our Shares transferred. The brokerage commission in respect of trades of Shares on the Hong Kong Stock Exchange is freely negotiable.

LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

The brokerage commission in respect of trades of Shares on the SGX-ST is freely negotiable. A clearing fee in Singapore is payable at the rate of 0.0325% of the transaction value. The clearing fee is subject to goods and services tax in Singapore (currently at 7.0%).

SETTLEMENT

Settlement of Dealings in Singapore

Shares listed and traded on the Catalist board of the SGX-ST are trading under the book-entry settlement system of CDP and all dealings in and transactions of Shares through the SGX-ST are effected in accordance with the terms and conditions for the operation of securities accounts with CDP, as amended from time to time.

CDP, a wholly owned subsidiary of the SGX-ST, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the securities accounts maintained by such account holders with CDP.

Shares will be registered in the name of CDP or its nominees and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. The Companies Act and the Constitution of our Company only recognise the registered owners or holders of our Shares as members. Depositors and depository agents on whose behalf CDP holds Shares, may not be accorded the full rights of membership, such as voting rights, the right to appoint proxies, or the right to receive Shareholders' circulars, proxy forms, annual reports, prospectuses and takeover documents. Depositors and depository agents will be accorded only such rights as CDP may make available to them pursuant to CDP's terms and conditions to act as depository for foreign securities.

Persons holding Shares in a securities account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical Share certificates. Such Share certificates will not, however, be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be prima facie evidence of title and may be transferred in accordance with the Constitution of our Company. A fee of S\$10 for each withdrawal of 1,000 Shares or less and a fee of S\$25 for each withdrawal of more than 1,000 Shares will be payable upon withdrawing of our Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2 (or such other amounts as our Directors may decide) will be payable to the Singapore Principal Share Registrar for each share certificate issued, and stamp duty at the rate of 0.2% computed on the last-transacted price is payable where Shares are withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-ST must deposit with CDP their share certificates together with the duly executed instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10 is payable upon the deposit of each instrument of transfer with CDP.

LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

Transactions in Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for the transfer of our Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in Shares on the SGX-ST is payable at the rate of 0.0325% of the transaction value.

The clearing fees, instrument of transfer deposit fees and share withdrawal fees are subject to Singapore goods and services tax of 7.0%.

Dealings in our Shares will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third market day following the transaction date, and payment for the securities is generally settled on the following day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct securities account with CDP or a securities sub-account with a depository agent. A depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

Settlement of Dealings in Hong Kong

Investors in Hong Kong must settle their trades executed on the Hong Kong Stock Exchange through their brokers directly or through custodians. For an investor in Hong Kong who has deposited his Shares in his stock account or in his designated CCASS Participant's stock account maintained with CCASS, settlement will be effected in CCASS in accordance with the CCASS Rules in effect from time to time. For an investor who holds the physical certificates, settlement certificates and the duly executed instruments of transfer must be delivered to his broker or custodian by the settlement date.

An investor may arrange with his broker as custodian on a settlement date in respect of his trades executed on the Hong Kong Stock Exchange. Under the Listing Rules and the CCASS Rules, the date of settlement must be the second Business Day following the trading date on which the settlement services of CCASS are open for use by CCASS Participants (T+2). For trades settled under CCASS, the CCASS Rules provide that the defaulting broker may be compelled to compulsorily buy-in by HKSCC the day after the date of settlement (T+3), or if it is not practicable to do so on T+3, at any time thereafter. HKSCC may also impose fines from T+2 onwards.

The CCASS stock settlement fee payable by each counterparty in respect of a Hong Kong Stock Exchange trade is currently 0.002% of the gross transaction value subject to a minimum fee of HK\$2 and a maximum fee of HK\$100 per trade.

Dividends

Dividends are declared in Singapore dollars and will be converted to Hong Kong dollars before being paid to the Shareholders (whose Shares are traded on the Hong Kong Stock Exchange).

Foreign Exchange Risk

Investors in Singapore who trade in our Shares on the SGX-ST should note that their trades will be effected in Singapore dollars. Investors in Hong Kong who trade in our Shares on the Hong Kong Stock Exchange should note that their trades will be effected in Hong Kong dollars. Accordingly, investors should be aware of the foreign exchange risks associated with such trading. Please refer to the section headed “Risk Factors” in this prospectus for a discussion on foreign exchange risks.

REMOVAL AND/OR TRANSFER OF SHARES**Transfer of Shares**

All duties, fees and expenses specified herein are subject to changes from time to time. Special arrangements will be made to facilitate transfers of Shares by way of batch-transfers, and to incentivise existing Shareholders to transfer their Shares to Hong Kong before the Global Offering by enabling them to do so at a reduced cost as the Company will bear the costs, fees and duties payable for the such batch-transfers (excluding withdrawal fees payable to CDP and CDP’s existing charges and any other costs to be levied by such Shareholders’ own brokers, nominees or custodians (where relevant)). For further details of the batch-transfers, please refer to the paragraph headed “Special Arrangements to Facilitate Transfers Before the Listing” in this section.

Currently, all of our Shares are registered on the Singapore Principal Share Register. For the purpose of trading on the Hong Kong Stock Exchange following the Listing, our Shares must be registered on the Hong Kong Branch Share Register. Shares may be transferred between the Singapore Principal Share Register and the Hong Kong Branch Share Register. An investor who wishes to trade our Shares on the SGX-ST must deposit the share certificates in respect of such Shares with CDP. An investor who wishes to trade our Shares on the Hong Kong Stock Exchange must have his Shares registered on the Hong Kong Branch Share Register by submitting the request for withdrawal of securities form to CDP and a removal request form to the Singapore Principal Share Registrar. Withdrawal fees payable to CDP will be borne by the relevant Shareholders and CDP’s existing charges will still apply, together with any other costs to be levied by such Shareholders’ own brokers, nominees or custodians (where relevant). A resolution has been passed by our Directors authorising the removal of Shares between the Singapore Principal Share Register and the Hong Kong Branch Share Register as may from time to time be requested by the members of the Company.

From the SGX-ST to the Hong Kong Stock Exchange

Following the Listing, if an investor whose Shares are traded on the SGX-ST wishes to trade his Shares on the Hong Kong Stock Exchange, he must effect a removal of Shares from the Singapore Principal Share Register to the Hong Kong Branch Share Register.

A removal of our Shares from the Singapore Principal Share Register to the Hong Kong Branch Share Register involves the following procedures:

- (1) If the investor's Shares have been deposited with CDP, the investor must first withdraw his Shares from CDP by completing a Request for Withdrawal of Securities Form and a transfer form, available from CDP and submitting the same to CDP together with a bank draft for the amount as prescribed by CDP from time to time.
- (2) The investor shall complete a removal request and delivery instruction form ("**SG Removal Request Form**") (in triplicate) obtained from the Singapore Principal Share Registrar and submit the SG Removal Request Form to the Singapore Principal Share Registrar, together with bank drafts for the amount as prescribed by the Singapore Principal Share Registrar and the Hong Kong Share Registrar from time to time.
- (3) CDP will then send the duly completed transfer form, together with the relevant share certificate(s) registered under the name of CDP to the Singapore Principal Share Registrar directly.
- (4) Upon receipt of the duly completed transfer form and the share certificate(s) from CDP and the SG Removal Request Form together with bank drafts for the amount as prescribed by the Singapore Principal Share Registrar and Hong Kong Share Registrar from time to time from the investor, the Singapore Principal Share Registrar shall take all actions necessary to effect the transfer and removal of shares on the Singapore Principal Share Register. On completion, the Singapore Principal Share Registrar shall then notify the Hong Kong Share Registrar of the removal.
- (5) The Hong Kong Share Registrar shall update the Hong Kong Branch Share Register and issue share certificate(s) in the name of the investor and send such share certificate(s) to the address specified by the investor. Despatch of share certificate(s) will be made at the risk and expense of the investor as specified in the SG Removal Request Form.
- (6) If the investor's Shares upon being registered in Hong Kong are to be deposited with CCASS, the investor must deposit our Shares into CCASS for credit to his CCASS Investor Participant stock account or his designated CCASS Participant's stock account. For deposit of Shares to CCASS or to effect sale of Shares in Hong Kong, the investor should execute a transfer form which is in use in Hong Kong and which can be obtained from CCASS Participant(s) and deliver it together with his Share certificate(s) issued by the Hong Kong Share Registrar to HKSCC directly if he intends to deposit our Shares

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into CCASS for credit to his CCASS Investor Participant stock account or via a CCASS Participant if he wants our Shares to be credited to his designated CCASS Participant's stock account.

Note: Under normal circumstances, steps (1) to (5) generally require 15 Business Days to complete.

From the Hong Kong Stock Exchange to the SGX-ST

If an investor whose Shares are traded on the Hong Kong Stock Exchange wishes to trade his Shares on the SGX-ST, he must effect a removal of our Shares from the Hong Kong Branch Share Register to the Singapore Principal Share Register. Such removal and deposit of our Shares with CDP would involve the following procedures:

- (1) If the investor's Shares are registered in the investor's own name, the investor shall complete the Combined Share Removal and Transfer and Delivery Instruction Form ("**HK Removal Request Form**") (in triplicate) available from the Hong Kong Share Registrar and submit the same together with the share certificate(s) in his name and bank drafts for the amount as prescribed by the Singapore Principal Share Registrar and the Hong Kong Share Registrar from time to time to the Hong Kong Share Registrar. If the investor's Shares have been deposited with CCASS, the investor must first withdraw such Shares from his CCASS Investor Participant stock account with CCASS or from the stock account of his designated CCASS Participant and submit the relevant Share transfer form(s) executed by HKSCC Nominees Limited and the investor, the relevant share certificate(s) and a duly completed HK Removal Request Form together with bank drafts for the amount as prescribed by the Singapore Principal Share Registrar and the Hong Kong Share Registrar from time to time to the Hong Kong Share Registrar.
- (2) If the investor would like to have our Shares credited directly into his securities account or sub-account with a CDP depository agent, he must indicate it on the HK Removal Request Form. He should submit the HK Removal Request Form with a bank draft for the amount as prescribed by CDP from time to time at the same time he submits the relevant documents to the Hong Kong Share Registrar (as contemplated in paragraph (1) above). The investor should ensure that he has a securities account or sub-account with a CDP depository agent before he can complete and sign off on delivery instruction set out in the HK Removal Request Form.
- (3) Upon receipt of the HK Removal Request Form, the relevant share certificate(s) and bank drafts for the amounts as prescribed by the Singapore Principal Share Registrar and Hong Kong Share Registrar and CDP, if applicable and where appropriate, the completed share transfer form(s) executed by HKSCC Nominees Limited and the investor, the Hong Kong Share Registrar shall take all actions necessary to effect the transfer and the removal of our Shares from the Hong Kong Branch Share Register to the Singapore Principal Share Register.

LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

- (4) The Hong Kong Share Registrar shall then notify the Singapore Principal Share Registrar of the removal whereupon the Singapore Principal Share Registrar shall update the Singapore Principal Share Register. Upon completion, the Singapore Principal Share Registrar shall issue the relevant share certificate(s) in the name of the investor or CDP, where the case may be, and deliver the share certificate(s) to the investor or CDP.
- (5) Upon receipt of the relevant documents and prescribed payment from the Singapore Principal Share Registrar, CDP shall credit the specified number of Shares into the investor's securities account or sub-account with a CDP depository agent. The investor should ensure that the shares are credited to his securities account or sub-account with a CDP depository agent before dealing in our Shares.

Note: Under normal circumstances, steps (1) to (4) generally require 15 Business Days to complete.

For those Shares which are registered on the Hong Kong Branch Share Register, any transfer thereof or dealings therein will be subject to Hong Kong stamp duty. For those Shares which are registered on the Singapore Principal Share Register, any transfer thereof or dealings therein will be subject to Singapore stamp duty.

All costs attributable to the removal of Shares from the Hong Kong Branch Share Register to the Singapore Principal Share Register and any removal from the Singapore Principal Share Register to the Hong Kong Branch Share Register shall be borne by the Shareholder requesting the removal. In particular, Shareholders should note that the Hong Kong Share Registrar will charge HK\$300 for each removal of Shares and a fee of HK\$2.50 (or such higher fee as may from time to time be permitted under the Listing Rules) for each Share certificate cancelled or issued by it and any applicable fee as stated in the removal request forms used in Hong Kong or Singapore. In addition, the Singapore Principal Share Registrar will charge S\$30 (or such other amount as may be prescribed from time to time) for each removal of Shares, a fee of S\$2 (plus applicable stamp duties) for each transfer form in respect of transfer of Shares and a fee of S\$2 for each share certificate cancelled or issued by it and any applicable fee as stated in the removal request forms used in Hong Kong or Singapore. The fees charged by the Singapore Principal Share Registrar are subject to Singapore goods and services tax of 7.0%.

LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

SPECIAL ARRANGEMENTS TO FACILITATE TRANSFERS BEFORE THE LISTING

Special arrangements have been made to facilitate transfers of Shares before the Listing. In connection with the Listing, the Singapore Principal Share Registrar and the Hong Kong Share Registrar will provide three batch-transfers of the Singapore-listed Shares for Shareholders seeking to transfer their Shares to the Hong Kong Branch Share Register before the Listing.

The key dates in relation to such batch-transfers exercises (the “**Batch-Transfers**”) are set out below:

Events	First Batch-Transfer	Second Batch-Transfer	Third Batch-Transfer
Final date to submit a request for withdrawal of securities form to CDP and a SG Removal Request Form to the Singapore Principal Share Registrar	Friday, 8 December, 2017	Tuesday, 12 December, 2017	Thursday, 14 December, 2017
Share certificates available for collection from the Hong Kong Branch Share Registrar’s office	Friday, 22 December, 2017	Thursday, 28 December, 2017	Tuesday, 2 January 2018

Shareholders who hold their Shares directly in CDP can complete and submit the request for withdrawal of securities form to CDP and the SG Removal Request Form to the Singapore Principal Share Registrar before the relevant dates stipulated above to participate in the Batch-Transfers.

Our Company will bear the costs, fees and duties payable for the Batch-Transfers. Withdrawal fees payable to CDP will be borne by the relevant Shareholders and CDP’s existing charges will still apply, together with any other costs to be levied by such Shareholders’ own brokers, nominees or custodians (where relevant). Shareholders should note that all costs, fees and duties payable for any subsequent transfer of their Shares, including fees chargeable by the share registrars and the CDP will be borne by Shareholders themselves.

Our Company has made arrangements to inform our Shareholders and the Singapore investing public of details of the Listing and the Batch-Transfers procedures by way of announcements on the respective websites of our Company at www.lhngroup.com and the SGX-ST at www.sgx.com.

The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.



羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF LHN LIMITED AND FORTUNE FINANCIAL CAPITAL LIMITED

INTRODUCTION

We report on the historical financial information of LHN Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-101, which comprises the consolidated statements of financial position as at 30 September 2014, 2015 and 2016 and 30 June 2017, the company statements of financial position as at 30 September 2014, 2015 and 2016 and 30 June 2017, and the consolidated statements of profit or loss and total comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the periods then ended (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-101 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 15 December 2017 (the "Prospectus") in connection with the global offering of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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REPORTING ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at 30 September 2014, 2015 and 2016 and 30 June 2017 and the consolidated financial position of the Group as at 30 September 2014, 2015 and 2016 and 30 June 2017 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

REVIEW OF STUB PERIOD COMPARATIVE FINANCIAL INFORMATION

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statements of profit or loss and total comprehensive income, changes in equity and cash flows for the nine months ended 30 June 2016 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in

accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board (“IAASB”). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “LISTING RULES”) AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 34 to the Historical Financial Information which contains information about the dividends paid by LHN Limited in respect of the Track Record Period.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
15 December 2017

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report. The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers LLP, Singapore in accordance with International Standards on Auditing issued by the IAASB ("Underlying Financial Statements"). The Historical Financial Information is presented in Singapore Dollar and all values are rounded to the nearest thousand ("S\$'000") except when otherwise indicated.

(A) CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND TOTAL COMPREHENSIVE INCOME

	Note	Year ended 30 September			Nine months ended 30 June	
		2014 S\$'000	2015 S\$'000	2016 S\$'000	2016 S\$'000	2017 S\$'000
Revenue	6	90,740	96,374	104,705	78,724	79,767
Cost of sales	9	(65,709)	(72,926)	(77,208)	(57,744)	(60,556)
Gross profit		25,031	23,448	27,497	20,980	19,211
Other income	7	2,194	2,714	3,017	2,140	1,815
Other losses — net	8	(110)	(391)	(318)	(42)	(161)
Selling and distribution expenses	9	(975)	(2,321)	(1,804)	(1,448)	(821)
Administrative expenses	9	(17,236)	(19,337)	(20,351)	(14,366)	(19,403)
Finance cost — net	11	(708)	(446)	(600)	(455)	(457)
Share of results of associates and joint ventures, net of tax	17, 18	24	26	6,716	(88)	3,430
Impairment loss on asset held-for-sale		—	—	—	—	(500)
Fair value gain/(loss) on investment properties	15	5,784	575	2,071	—	(1,439)
Profit before income tax		14,004	4,268	16,228	6,721	1,675
Income tax expense	12	(1,300)	(214)	(1,127)	(809)	(341)
Profit for the year/period		12,704	4,054	15,101	5,912	1,334
Profit attributable to:						
Equity holders of the Company		12,756	4,223	15,094	5,876	1,038
Non-controlling interests		(52)	(169)	7	36	296
		12,704	4,054	15,101	5,912	1,334

Note	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				(Unaudited)	
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Currency translation differences arising from consolidation	(136)	(290)	271	217	(51)
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Revaluation gains on leasehold buildings	1,834	254	759	—	137
Share of other comprehensive income of joint venture	—	—	—	—	142
	<u>1,698</u>	<u>(36)</u>	<u>1,030</u>	<u>217</u>	<u>228</u>
Total comprehensive income for the year/period	<u>14,402</u>	<u>4,018</u>	<u>16,131</u>	<u>6,129</u>	<u>1,562</u>
Total comprehensive income for the year/period					
Equity holders of the Company	14,455	4,191	16,124	6,091	1,268
Non-controlling interests	(53)	(173)	7	38	294
	<u>14,402</u>	<u>4,018</u>	<u>16,131</u>	<u>6,129</u>	<u>1,562</u>
Earnings per share for profit attributable to equity holders of the Company					
Basic and diluted (S\$ cents)	13	<u>4.64</u>	<u>1.34</u>	<u>4.18</u>	<u>1.62</u>
				<u>0.29</u>	

(B) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Note</i>	Group			
		As at 30 September			As at
		2014	2015	2016	30 June
		S\$'000	S\$'000	S\$'000	2017
		S\$'000	S\$'000	S\$'000	
ASSETS					
Non-current assets					
Property, plant and equipment	14	19,869	26,635	26,453	17,372
Investment properties	15	20,631	31,305	37,472	27,273
Investment in associates	17	62	88	111	125
Investment in joint ventures	18	—	—	7,294	11,301
Deferred tax assets	20	—	334	441	395
Long-term prepayments	22	333	285	658	452
		40,895	58,647	72,429	56,918
Current assets					
Inventories	23	315	163	18	76
Trade and other receivables	21	10,222	14,346	12,829	13,419
Loans to joint ventures	37b	—	—	7,002	8,747
Prepayments	22	985	3,212	3,652	2,824
Cash and bank balances	24	14,417	15,604	19,926	15,818
Fixed deposits	25	5,583	14,680	5,706	5,576
		31,522	48,005	49,133	46,460
Non-current asset classified as held for sale	26	—	—	—	19,500
		31,522	48,005	49,133	65,960
Total assets		72,417	106,652	121,562	122,878
EQUITY AND LIABILITIES					
Equity					
Share capital	28	2,000	51,243	51,287	51,287
Treasury shares	28	—	—	(245)	(186)
Reserves	27	30,727	4,191	18,507	18,182
Equity attributable to equity holders of the Company		32,727	55,434	69,549	69,283
Non-controlling interests		(131)	(127)	(120)	174
Total equity		32,596	55,307	69,429	69,457

		Group				
		As at 30 September			As at 30 June	
		2014	2015	2016	2017	
<i>Note</i>		S\$'000	S\$'000	S\$'000	S\$'000	
LIABILITIES						
Current liabilities						
	Trade and other payables	30	23,597	26,466	26,390	26,815
	Provision for reinstatement costs	31	—	—	—	152
	Finance lease liabilities	32	1,331	1,534	1,363	1,562
	Borrowings	33	824	1,420	1,817	3,897
	Current income tax liabilities		<u>1,565</u>	<u>1,347</u>	<u>1,350</u>	<u>949</u>
			<u>27,317</u>	<u>30,767</u>	<u>30,920</u>	<u>33,375</u>
LIABILITIES						
Non-current liabilities						
	Deferred tax liabilities	20	223	230	266	304
	Other payables	30	165	—	7	18
	Finance lease liabilities	32	2,870	2,294	2,401	2,665
	Borrowings	33	9,246	18,054	18,187	16,855
	Provision for reinstatement costs	31	<u>—</u>	<u>—</u>	<u>352</u>	<u>204</u>
			<u>12,504</u>	<u>20,578</u>	<u>21,213</u>	<u>20,046</u>
	Total liabilities		<u>39,821</u>	<u>51,345</u>	<u>52,133</u>	<u>53,421</u>
	Total equity and liabilities		<u>72,417</u>	<u>106,652</u>	<u>121,562</u>	<u>122,878</u>

(C) STATEMENTS OF FINANCIAL POSITION

	<i>Note</i>	<u>Company</u>			
		<u>As at 30 September</u>			<u>As at</u>
		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>30 June</u>
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>2017</u>
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	
ASSETS					
Non-current asset					
Investment in subsidiaries	16	—	32,727	32,727	32,727
Current assets					
Trade and other receivables		—	5	—	—
Amount due from subsidiaries		—	11,440	19,824	18,351
Prepayments		—	14	19	34
Cash and bank balances		*	1,180	2,872	216
Fixed deposits		—	9,028	—	—
		*	21,667	22,715	18,601
Total assets		*	54,394	55,442	51,328
EQUITY AND LIABILITIES					
Capital and reserve attributable to equity holders of the company					
Share capital	28	*	51,243	51,287	51,287
Treasury shares	28	—	—	(245)	(186)
Reserves	29	—	2,128	3,070	(1,385)
Total equity		*	53,371	54,112	49,716
LIABILITIES					
Current liabilities					
Trade and other payables		—	381	757	1,598
Amount due to subsidiaries		—	642	499	—
Current income tax liabilities		—	—	74	14
Total liabilities		—	1,023	1,330	1,612
Total equity and liabilities		*	54,394	55,442	51,328

* Amounts are less than S\$500

(D) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Group	Note	Attributable to equity holders of the Company									
		Share capital	Treasury shares	Retained profits	Merger reserve	Other reserve	Asset revaluation reserve	Exchange fluctuation reserve	Total attributable to equity holders of the Company	Non-controlling interests	Total
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2014											
As at 1 October 2013		2,000	—	18,242	—	269	355	(594)	20,272	(78)	20,194
Profit for the year		—	—	12,756	—	—	—	—	12,756	(52)	12,704
Other comprehensive income for the year		—	—	—	—	—	1,834	(135)	1,699	(1)	1,698
Total comprehensive income for the year		—	—	12,756	—	—	1,834	(135)	14,455	(53)	14,402
Effect on incorporation of Company		*	—	—	—	—	—	—	*	—	*
Dividends paid	34	—	—	(2,000)	—	—	—	—	(2,000)	—	(2,000)
Total transactions with equity holders, recognised directly in equity		—	—	(2,000)	—	—	—	—	(2,000)	—	(2,000)
As at 30 September 2014		2,000	—	28,998	—	269	2,189	(729)	32,727	(131)	32,596
As at 1 October 2014		2,000	—	28,998	—	269	2,189	(729)	32,727	(131)	32,596
Profit for the year		—	—	4,223	—	—	—	—	4,223	(169)	4,054
Other comprehensive (loss)/income for the year		—	—	—	—	—	254	(286)	(32)	(4)	(36)
Total comprehensive income for the year		—	—	4,223	—	—	254	(286)	4,191	(173)	4,018
Effect on non-controlling interest on:											
Newly incorporated subsidiary		—	—	—	—	—	—	—	—	45	45
Newly acquired subsidiary		—	—	—	—	—	—	—	—	32	32
		—	—	—	—	—	—	—	—	77	77
Effect on issuance of shares to a non-controlling interest of subsidiary		—	—	—	—	—	—	—	—	100	100
Adjustment arising from the share swap agreement		(2,000)	—	—	(30,727)	—	—	—	(32,727)	—	(32,727)
Effect on initial public offering											
— Issue of new shares pursuant to restructuring exercise		32,726	—	—	—	—	—	—	32,726	—	32,726
— Issue of Pre-IPO shares		2,000	—	—	—	—	—	—	2,000	—	2,000
— Issue of shares for sponsor fees		320	—	—	—	—	—	—	320	—	320
— Issue of placement shares		17,000	—	—	—	—	—	—	17,000	—	17,000
— Less: share issue costs		(803)	—	—	—	—	—	—	(803)	—	(803)
		51,243	—	—	—	—	—	—	51,243	—	51,243
Total transactions with equity holders, recognised directly in equity		49,243	—	—	(30,727)	—	—	—	18,516	177	18,693
As at 30 September 2015		51,243	—	33,221	(30,727)	269	2,443	(1,015)	55,434	(127)	55,307

Attributable to equity holders of the Company											
Group	Note	Share capital	Treasury shares	Retained profits	Merger reserve	Other reserve	Asset revaluation reserve	Exchange fluctuation reserve	Total attributable to equity holders of the Company		Total
									holders of the Company	Non-controlling interests	
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 October 2015		51,243	—	33,221	(30,727)	269	2,443	(1,015)	55,434	(127)	55,307
Profit for the year		—	—	15,094	—	—	—	—	15,094	7	15,101
Other comprehensive income for the year		—	—	—	—	—	759	271	1,030	—	1,030
Total comprehensive income for the year		—	—	15,094	—	—	759	271	16,124	7	16,131
Shares issued under LHN Performance											
Share Plan		44	—	—	—	—	—	—	44	—	44
Purchase of treasury shares		—	(245)	—	—	—	—	—	(245)	—	(245)
Dividends paid in respect of financial year ended 30 September 2015	34	—	—	(1,084)	—	—	—	—	(1,084)	—	(1,084)
Dividends paid in respect of financial year ended 30 September 2016	34	—	—	(724)	—	—	—	—	(724)	—	(724)
Total transactions with equity holders, recognised directly in equity		44	(245)	(1,808)	—	—	—	—	(2,009)	—	(2,009)
As at 30 September 2016		51,287	(245)	46,507	(30,727)	269	3,202	(744)	69,549	(120)	69,429
As at 1 October 2016		51,287	(245)	46,507	(30,727)	269	3,202	(744)	69,549	(120)	69,429
Profit for the period		—	—	1,038	—	—	—	—	1,038	296	1,334
Other comprehensive income for the period		—	—	—	—	—	279	(49)	230	(2)	228
Total comprehensive income for the period		—	—	1,038	—	—	279	(49)	1,268	294	1,562
Shares awarded under LHN Performance											
Share Plan		—	59	—	—	29	—	—	88	—	88
Dividends paid in respect of financial year ended 30 September 2016	34	—	—	(1,622)	—	—	—	—	(1,622)	—	(1,622)
Total transactions with equity holders, recognised directly in equity		—	59	(1,622)	—	29	—	—	(1,534)	—	(1,534)
As at 30 June 2017		51,287	(186)	45,923	(30,727)	298	3,481	(793)	69,283	174	69,457

		Attributable to equity holders of the Company									
		Share capital	Treasury shares	Retained profits	Merger reserve	Other reserve	Asset revaluation reserve	Exchange fluctuation reserve	Total attributable to equity holders of the Company	Non-controlling interests	Total
Group (unaudited)	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Unaudited											
As at 1 October 2015		51,243	—	33,221	(30,727)	269	2,443	(1,015)	55,434	(127)	55,307
Profit for the period		—	—	5,876	—	—	—	—	5,876	36	5,912
Other comprehensive income for the period		—	—	—	—	—	—	215	215	2	217
Total comprehensive income for the period		—	—	5,876	—	—	—	215	6,091	38	6,129
Shares issued under LHN Performance Share Plan		44	—	—	—	—	—	—	44	—	44
Dividends paid	34	—	—	(1,084)	—	—	—	—	(1,084)	—	(1,084)
Dividends paid in respect of financial year ended 30 September 2016		—	—	(724)	—	—	—	—	(724)	—	(724)
Total transactions with equity holders, recognised directly in equity		44	—	(1,808)	—	—	—	—	(1,764)	—	(1,764)
As at 30 June 2016		51,287	—	37,289	(30,727)	269	2,443	(800)	59,761	(89)	59,672

(E) CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<i>Note</i>					
				(Unaudited)	
Cash flow from operating activities					
Profit before income tax	14,004	4,268	16,228	6,721	1,675
Adjustments for:					
— Share of results of associates and joint ventures, net of tax	(24)	(26)	(6,716)	88	(3,430)
— Loss/(gain) on disposal of property, plant and equipment	35(b) 80	(26)	(27)	(14)	(90)
— Depreciation of property, plant and equipment	5,191	5,531	6,546	4,846	4,533
— Write-off of property, plant and equipment	37	22	52	45	35
— Impairment loss on asset held-for-sale	—	—	—	—	500
— Fair value (gain)/loss on investment properties	(5,784)	(575)	(2,071)	—	1,439
— Waiver of debt from a director of subsidiaries	(81)	(127)	(86)	(57)	(22)
— Finance cost	708	446	600	455	457
— Finance income	(70)	(115)	(225)	(121)	(227)
— Employee performance share expenses	—	—	44	44	87
— Shares issued as part payment of Sponsor fees	—	320	—	—	—
Operating profit before working capital changes	14,061	9,718	14,345	12,007	4,957
Changes in working capital:					
— Inventories	(27)	94	143	132	(58)
— Work-in-progress	223	58	—	—	—
— Trade and other receivables	2,552	(6,113)	1,018	(2,971)	330
— Trade and other payables	(4,124)	5,158	(597)	(2,193)	14
Cash generated from operations	12,685	8,915	14,909	6,975	5,243
Interest expenses paid	(708)	(446)	(412)	(448)	(451)
Income tax paid	(1,848)	(910)	(1,736)	(1,687)	(1,379)
Income tax refunded	1,066	91	621	608	723
Net cash generated from operating activities	11,195	7,650	13,382	5,448	4,136

	<i>Note</i>	Year ended 30 September			Nine months ended 30 June	
		2014	2015	2016	2016	2017
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
						<i>(Unaudited)</i>
Cash flows from investing activities						
Purchase of property, plant and equipment	35(a)	(4,833)	(10,671)	(4,812)	(5,440)	(3,577)
Purchase of investment properties		(500)	(10,687)	(2,968)	—	(955)
Proceeds from disposal of property, plant and equipment	35(b)	532	96	275	260	95
Proceeds from repayment by fellow subsidiaries		2,938	—	—	—	—
Acquisition of subsidiaries, net of cash acquired	35(c)	—	591	—	—	—
Cash outflow on disposal of investment in a subsidiary	35(d)	(620)	—	—	—	—
Acquisition of joint venture		—	—	—	—	(150)
Deposit paid for acquisition of joint venture		—	—	(300)	—	—
Cash outflow on incorporation of joint ventures		—	—	(600)	(500)	—
Cash outflow on incorporation of associate		—	—	*	*	—
Interest received		70	115	127	90	42
Loans to joint ventures		—	—	(7,002)	—	(1,745)
Repayment/(Advances) to related parties		5	(2)	—	—	—
Net cash used in investing activities		(2,408)	(20,558)	(15,280)	(5,590)	(6,290)
Cash flows from financing activities						
Repayment of finance lease		(1,126)	(1,423)	(1,112)	(1,261)	(1,192)
Increase in fixed deposit — pledged		(17)	(71)	(60)	(37)	129
Non-controlling interest on newly incorporated subsidiaries		—	45	—	—	—
Proceeds from issuance of shares to a non-controlling interest of a subsidiary		—	100	—	—	—
Proceeds from borrowings		3,000	10,280	2,000	1,265	2,000
Repayments of borrowings		(5,357)	(875)	(1,471)	(1,085)	(1,252)
Proceeds from pre-IPO convertible loan		—	2,000	—	—	—

Note	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				(Unaudited)	
Proceeds from issuance of placement shares	—	17,000	—	—	—
Share issue costs	—	(803)	—	—	—
Repayment to immediate holding company	(2,915)	—	—	—	—
Purchases of treasury shares	—	—	(245)	—	—
Repayment to a director	(417)	—	—	—	—
Repayment to a director of subsidiaries	(866)	(1,105)	(146)	(167)	—
Dividends paid	—	(2,000)	(1,808)	(1,808)	(1,622)
Net cash (used in)/generated from financing activities	(7,698)	23,148	(2,842)	(3,093)	(1,937)
Net increase/(decrease) in cash and cash equivalents	1,089	10,240	(4,740)	(3,235)	(4,091)
Cash and cash equivalents at beginning of the year/period	13,352	14,425	24,637	24,637	19,926
Exchange (losses)/gains on cash and cash equivalents	(16)	(28)	29	16	(17)
Cash and cash equivalents at end of the year/period	14,425	24,637	19,926	21,418	15,818

* denotes amount smaller than S\$500.

	Note	Financial year ended 30 September			Nine months ended 30 June	
		2014	2015	2016	2016	2017
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<i>(Unaudited)</i>						
<i>Cash and cash equivalents</i>						
<i>comprise:</i>						
Cash and bank balance	24	14,417	15,604	19,926	16,892	15,818
Fixed deposits	25	<u>5,583</u>	<u>14,680</u>	<u>5,706</u>	<u>10,210</u>	<u>5,576</u>
		20,000	30,284	25,632	27,102	21,394
Less: Pledged fixed deposits that mature within one year	25	<u>(5,575)</u>	<u>(5,647)</u>	<u>(5,706)</u>	<u>(5,684)</u>	<u>(5,576)</u>
		<u>14,425</u>	<u>24,637</u>	<u>19,926</u>	<u>21,418</u>	<u>15,818</u>

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

LHN Limited (“the Company”) was incorporated on 10 July 2014 in Singapore under the Companies Act as an investment holding private limited company under the name of “LHN Pte. Ltd.”. The Company’s registration number is 201420225D. The Company was converted into a public company and renamed as “LHN Limited” on 16 March 2015. The address of its registered office is at 10 Raeburn Park #02-18, Singapore 088702.

The Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 13 April 2015.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in (i) space resource management services; (ii) facilities management services; and (iii) logistics services (the “Listing Businesses”).

1.2 Reorganisation

The ultimate holding company of the Company is LHN Capital Pte. Ltd.. The ultimate controlling parties of the Group are Mr. Lim Lung Tieng (“Kelvin Lim”), Ms. Lim Bee Choo (“Jess Lim”) and Ms. Lim Bee Li (collectively, the “Controlling Shareholders”).

LHN Capital Pte. Ltd. through its subsidiaries were engaged in both Listing Businesses and businesses that were unrelated to the Listing Business (the “Excluded Business”).

For the purpose of listing on the Catalist board of the SGX-ST, the Group underwent a group reorganisation (the “Reorganisation”), pursuant to which LHN Group Pte. Ltd and its subsidiaries engaged in the Listing Businesses were transferred to the Company. The Reorganisation principally involved the following:

- (a) The Company was incorporated on 10 July 2014 in Singapore in accordance with the Companies Act as a private company limited by shares with an issued and paid-up share capital of \$1 comprising one Share held by Hean Nerng Group Pte. Ltd.
- (b) On 10 March 2015, the Company acquired the entire equity interest of LHN Group Pte. Ltd from the then shareholder for a consideration of S\$32,727,000, which was settled by issuance of the Company’s shares of 999,999 shares at an issue price of S\$32.7 per share.

Upon the completion of the Reorganisation, the Company becomes the holding company of LHN Group Pte. Ltd. and its subsidiaries.

Upon completion of the Reorganisation and as at the date of this report, the Company had direct or indirect interests in the following principal subsidiaries:

Name	Principal activities	Country of business/ incorporation	Date of incorporation	Issued and paid up capital	Effective interest held by the Group as at			
					30 September		30 June	
					2014	2015	2016	2017
					%	%	%	%
Directly held by the company								
LHN Group Pte Ltd ¹	Investment holding and space resource management	Singapore	4 March 2005	S\$2,000,000	—	100	100	100

Name	Principal activities	Country of business/ incorporation	Date of incorporation	Issued and paid up capital	Effective interest held by the Group as at			
					30 September			30 June
					2014	2015	2016	2017
					%	%	%	%
LHN Group Sdn Bhd ⁵	Investment holding and space resource management	Malaysia	8 June 2015	RM100	—	100	100	100
Indirectly held by the Company								
Hean Nerng Logistics Pte. Ltd ¹	Freight transport by road and warehousing logistics	Singapore	18 June 1997	S\$500,000	100	100	100	100
Work Plus Store Pte. Ltd ¹	Space resource management	Singapore	21 September 2004	S\$600,000	100	100	100	100
GREENHUB Suited Offices Pte. Ltd ¹	Space resource management	Singapore	28 October 2004	S\$1,000,000	100	100	100	100
Chua Eng Chong Holdings Pte. Ltd ¹	Space resource management	Singapore	4 June 1981	S\$100,000	100	100	100	100
Industrial and Commercial Security Pte Ltd ¹	Security services	Singapore	11 January 2005	S\$150,000	100	100	100	100
LHN Group (China) Asset Management Pte. Ltd (formerly known as 2IN1 Space Pte. Ltd) ¹	Real estate activities	Singapore	12 April 2006	S\$100,000	100	100	100	100
Hean Nerng Facilities Management Pte. Ltd ¹	Space resource management and general warehousing	Singapore	5 March 2004	S\$600,000	100	100	100	100
Hean Nerng Corporation Pte. Ltd. ¹	Space resource management	Singapore	2 January 2004	S\$25,000	100	100	100	100
LHN Properties Investments Pte. Ltd. ¹	Space resource management	Singapore	16 August 2007	S\$25,000	100	100	100	100
LHN Management Services Pte Ltd. ¹	Space resource management	Singapore	16 August 2007	S\$25,000	51	51	51	51
LHN Facilities Management Pte. Ltd. ¹	Space resource management	Singapore	21 July 2007	S\$4,000,000	100	100	100	100
LHN Industrial Space Pte. Ltd ¹	Space resource management	Singapore	27 March 2008	S\$1,400,000	100	100	100	100
LHN Residence Pte. Ltd ¹	General contractors	Singapore	10 March 2008	S\$25,000	100	100	100	100
Industrial and Commercial Facilities Management Pte. Ltd ¹	General contractors and facilities management	Singapore	15 May 2009	S\$300,000	100	100	100	100
LHN Space Resources Pte. Ltd ¹	Space resource management	Singapore	15 July 2009	S\$1,200,000	100	100	100	100
LHN Parking Pte. Ltd. (formerly known as LHN Vehicle Parking Management Pte. Ltd) ¹	Carpark management and operation services	Singapore	5 September 2007	S\$2,800,000	100	100	100	100

Name	Principal activities	Country of business/ incorporation	Date of incorporation	Issued and paid up capital	Effective interest held by the Group as at			
					30 September			30 June
					2014	2015	2016	2017
					%	%	%	%
Soon Wing Investments Pte Ltd. ¹	Space resource management	Singapore	12 April 2006	S\$25,000	100	100	100	100
Maple Creek Global Inc ¹²	Inactive	British Virgin Islands	7 October 2013	US\$387,175	100	100	—	—
Singapore Handicrafts Pte. Ltd ¹	Investment holding	Singapore	28 November 1973	S\$4,000,000	100	100	100	100
HLA Holdings Pte. Ltd ¹	Container depot management	Singapore	26 November 2008	S\$715,680	—	60	60	60
HLA Container Services Pte. Ltd ¹	Container depot management	Singapore	22 March 2013	S\$612,000	60	60	60	60
Pickjunction Pte. Ltd ¹	Public relations consultancy services and web portals	Singapore	9 October 2013	S\$1	100	100	100	100
PT Hean Nerng Group ²	Space resource management	Indonesia	9 April 2013	Rp29,157,000,000	99	99	99	99
Greenhub Serviced Offices Yangon Limited ³	Space resource management	Myanmar	23 April 2013	US\$50,000	100	100	100	100
LHN Automobile Pte Ltd. ^{1, 7, 11}	Freight transport by road and value added logistics	Singapore	24 June 2016	S\$1	—	—	100	100
LHN Parking (GMT) Pte. Ltd. ¹	Carpark management and operation services	Singapore	24 June 2016	S\$1	—	—	100	100
PT Hub Hijau Serviced Offices ²	Space resource management	Indonesia	20 May 2013	Rp3,406,200,000	99	99	99	99
Greenhub Ventures Pte. Ltd. ⁸	Inactive	Singapore	21 March 2016	S\$1	—	—	100	100
HLA Holdings (Thailand) Ltd. ^{4, #}	Container depot management	Thailand	22 December 2014	THB2,000,000	28.8	28.8	28.8	28.8
HLA Container Services (Thailand) Ltd. ^{4, ^}	Container depot management	Thailand	23 December 2014	THB2,000,000	43.5	43.5	43.5	43.5
MQ Furnishing Pte. Ltd. (formerly known as Singapore Handicrafts (2012) Pte Ltd)	Sales of furniture	Singapore	12 July 2012	S\$1	100	100	100	100
LHN Asset Management (Xiamen) Co. Limited ⁹	Space resource and facilities management	People's Republic of China	30 November 2016	RMB50,000,000*	—	—	—	100
Competent Builders Pte. Ltd ^{1,6}	General contractor	Singapore	6 December 2010	S\$500,000	100	100	100	—
LHN Parking HK Limited ¹⁰	Carpark management and operation services	Hong Kong	26 January 2017	HKD1,000,000	—	—	—	100

¹ Audited by Foo Kon Tan LLP, Singapore.

² Audited by Grant Thornton Gani Sigiro & Handayani, Indonesia.

³ Audited by Ngwe Inzaly, Myanmar
⁴ Audited by Proact Services Thailand
⁵ Audited by HLB Ler Lum
⁶ Struck off on 5 June 2017
⁷ Incorporated on 24 June 2016
⁸ Incorporated on 21 March 2016
⁹ Incorporated on 30 November 2016
¹⁰ Incorporated on 26 January 2017
¹¹ Struck off in-progress
¹² Struck off on 19 February 2016
[#] effective voting rights of 53.2% and effective ownership interest of 28.8% held by the Group
[^] effective voting rights of 56.0% and effective ownership interest of 43.5% held by the Group
^{*} As at 30 June 2017, the Group has not paid up any of the capital of the company.

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the Listing Businesses are held by LHN Group Pte. Ltd. The Listing Businesses are mainly conducted through subsidiaries listed on note 1.2 of this Historical Financial Information. Pursuant to the Reorganisation, LHN Group Pte. Ltd. and The Listing Businesses are transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and do not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Businesses with no change in management of such business and the ultimate owner of the Listing Businesses remain the same. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the Listing Businesses under LHN Group Pte. Ltd. and, for the purpose of this report, the Historical Financial Information has been prepared and presented as a continuation of the consolidated financial statements of LHN Group Pte. Ltd. and its subsidiaries, with the assets and liabilities of the Group recognised and measured at the carrying amounts of the Listing Businesses under the consolidated financial statements of LHN Group Pte. Ltd. for all periods presented.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by International Accounting Standards Board (the “IASB”). The Historical Financial Information have been prepared under the historical cost convention, as modified by the revaluation of investment properties and leasehold buildings, which are carried at fair value.

The preparation of Historical Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The following new standards and amendments to standards that the Group has adopted which are mandatory for application in the respective financial years are disclosed as below. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS.

The adoption of these new or amended IFRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

IAS 27 (amendment)	Separate financial statements (Equity method in separate financial statements)
IAS 16 (amendment)	Property plant and equipment (Clarification of acceptable methods of depreciation and amortisation)
IAS 16 (amendment)	Property plant and equipment
IAS 1 (amendment)	Presentation of financial statements (Disclosure initiative)
IFRS 10 (amendment)	Consolidated financial statements
IFRS 12 (amendment)	Disclosure of Interests in other entities
IAS 28 (amendment)	Investments in associates and joint ventures (Investment entities: Applying the consolidation exception) (Editorial corrections in June 2015)
IFRS 11 (amendment)	Joint Arrangements (Accounting for acquisitions of interests in joint operations)
IFRS 5	Non-current assets held for sale and discontinued operations (Methods of disposal)
IFRS 7	Financial instruments: Disclosures (Servicing contracts and interim financial statements)

The following new standards and amendments to standards have been published but are not yet effective for Track Record Period and which the Group has not early adopted:

		Effective for accounting periods beginning on or after	<i>Note</i>
IAS 28 and IFRS 10 (Amendment)	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	A date to be determined by the IASB	
IFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018	
IFRS 4 (Amendment)	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018	
IAS 7 (Amendment)	Statement of cash flows	1 January 2017	<i>i</i>
IFRS 9	Financial Instruments	1 January 2018	<i>ii</i>
IFRS 15	Revenue from Contracts with Customers	1 January 2018	<i>iii</i>
IFRS 15 (Amendment)	Clarifications to IFRS 15	1 January 2018	
IFRS 16	Leases	1 January 2019	<i>iv</i>
IFRS 17	Insurance Contracts	1 January 2021	<i>v</i>
IAS 40 (Amendment)	Investment Properties	1 January 2018	<i>vi</i>
IAS 12	Income taxes (Recognition of deferred tax assets for unrealised losses)	1 January 2017	

Note i:

An amendment to IAS 7 introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. The amendment is effective from 1 January 2017. The Group is in the process of making an assessment on the impact of this new standard and does not anticipate the implementation will result in any significant impact on the Group's financial positions and results of operations.

Note ii:

IFRS 9 “Financial instruments” replaces the whole of IAS 39. IFRS 9 has three financial asset classification categories for investments in debt instruments: amortised cost, fair value through other comprehensive income (“OCI”) and fair value through profit or loss. Classification is driven by the entity’s business model for managing the debt instruments and their contractual cash flow characteristics. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in OCI, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability’s own credit risk are recognised in OCI, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. There is no subsequent recycling of the amounts in OCI to profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss.

IFRS 9 also introduces a new model for the recognition of impairment losses — the expected credit losses (ECL) model, which constitutes a change from the incurred loss model in IAS 39. IFRS 9 contains a “three stage” approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

During the Track Record Period, all of the Group’s financial assets and financial liabilities were carried at amortised costs without significant impairment on the former. The implementation of IFRS 9 is not expected to result in any significant impact on the Group’s financial position and results of operations.

Note iii:

IFRS 15 “Revenue from Contracts with Customers” — This new standard replaces the previous revenue standards: IAS 18 “Revenue” and IAS 11 “Construction Contracts”, and the related Interpretations on revenue recognition. IFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) Identify the contract(s) with customer; (2) Identify separate performance obligations in a contract; (3) Determine the transaction price; (4) Allocate transaction price to performance obligations; and (5) Recognise revenue when performance obligation is satisfied. The core principle is that the Group should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an “earnings processes” to an “asset liability” approach based on transfer of control. IFRS 15 provides specific guidance on capitalisation of contract cost, license arrangements and principal versus agent considerations. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The Group is in the process of making an assessment on the impact of this new standard. Currently, management does not anticipate any significant impact on the Group’s financial positions and results of operations upon adopting this new standard.

Note iv:

IFRS 16 “Leases” — The Group is a lessee of its various properties which are currently classified as operating leases. The Group’s current accounting policy for such leases is set out in Note 2.23. As at 30 June 2017, the Group has aggregate minimum lease payments, which are not reflected in the consolidated statements of financial position, under non-cancellable operating lease of S\$149,362,000 as set out in Note 36(b).

IFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to account for certain leases outside the consolidated statements of financial position. Instead, all long-term leases must be recognised in the consolidated statements of financial position in the form of assets (for the rights of use) and lease liabilities (for the payment obligations), both of which would carry initially at the discounted present value of the future operating lease commitments. Short-term leases with a lease term of twelve months or less and leases of low-value assets are exempt from such reporting obligations.

The new standard will therefore result in an increase in right-to-use asset and an increase in lease liability in the consolidated statement of financial position. In the consolidated statements of profit or loss, lease will be recognised in the future as depreciation and will no longer be recorded as rental expenses. Interest expense on the lease liability will be presented separately from depreciation under finance costs. The combination of a straight-line depreciation of the right-to-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial year of the lease, and decreasing expenses during the latter part of the lease term on a lease by lease basis.

Nevertheless, it is expected that there will be no material impact on the total expenses to be recognised by us over the entire lease period and our total net profit over the lease period is not expected to be materially affected. The adoption of IFRS 16 would not affect our total cash flows in respect of the leases. We are continuing to assess the specific magnitude of the adoption of IFRS 16 to the relevant financial statement areas and will conduct a more detailed assessment on the impact as information become available closer to the planned initial date of the adoption of 1 October 2019.

Note v:

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this new standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity’s financial position, financial performance and cash flows. The Group is in the process of making an assessment on the impact of this new standard and does not anticipate the implementation will result in any significant impact on the Group’s financial positions and results of operations.

Note vi:

Under the amendments in IAS 40 Transfers of Investment Property has been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management’s intentions for the use of a property by itself does not constitute evidence of a change in use. The amendments are effective on 1 January 2018. However, if finalised, earlier adoption is permitted. The Group is in the process of making an assessment on the impact of this new standard. Currently, management does not anticipate any significant impact on the Group’s financial positions and results of operations upon adopting this new standard.

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the Historical Financial Information of the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Historical Financial Information is presented in Singapore Dollar ("S\$"), which is functional currency and presentation currency of the Group and the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains and losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Group companies*

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2.4 Property, plant and equipment

Leasehold buildings are initially recognised at cost and subsequently stated at their revalued amounts. The revalued amounts are the fair values at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are carried out annually by independent professional valuers such that the carrying amount of these assets does not differ materially from that which would be determined using fair value at the end of reporting period.

When an asset is revalued, any increase in the carrying amount is credited directly to revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down.

When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to retained earnings when the asset is derecognised.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Company and the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Leasehold buildings	Over the remaining tenure period
Renovation works	1–15 years (on basis of tenure period)
Plant and machinery	5 years
Furniture and fittings	10 years
Office equipment	3–10 years
Logistics equipment	5 years
Motor vehicles	5 years
Computers	1–3 years
Containers	1–5 years

No depreciation is provided for construction-in-progress.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains/losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within "Other income" in the consolidated statement of profit or loss and total comprehensive income.

2.5 Investment properties

Investment properties include leasehold buildings that are held for long term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use, and where an insignificant portion is held for the Group's own occupation. Investment properties comprise completed investment properties and properties under construction or development for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in the profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

2.6 Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses on an individual subsidiary basis.

2.7 Investment in associates

An associate is an entity over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in the other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to “share of profit of investments accounted for using equity method” in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss.

2.8 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group reassesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change. The Group does not have any joint arrangement classified as joint operation. Investments in joint ventures at company level are stated at cost. The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method.

2.9 Impairment of non-financial assets

Property, plant and equipment and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

For the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to Note 2.4 for the treatment of a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.10 Financial assets

(a) *Classification*

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables comprise “trade and other receivables” (Note 21), “cash and bank balances” (Note 24), “fixed deposit” (Note 25) and loans to joint ventures (Note 37b) in the consolidated statements of financial position.

(b) *Recognition and measurement*

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(c) *Impairment of financial assets*

Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis, and includes all costs in bringing the inventories to their present location and condition.

Allowance is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.12 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.13 Share capital, treasury shares and dividends

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the LHN Employee Performance Share Plan, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sales or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Dividend distribution to the Company's equity owners is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.14 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Provision

Provisions are recognised when the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in consolidated income statement immediately.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

2.16 Financial guarantees

Financial guarantee contracts are initially recognised at their fair value plus transaction costs in the statements of financial position.

Financial guarantee contracts are subsequently amortised to the profit or loss over the period of the subsidiaries' borrowings, unless it is probable the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank.

Intra-group transactions are eliminated on consolidation.

2.17 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are derecognised when the obligation is discharged, cancelled or expired. The difference between carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of comprehensive income.

2.18 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction.

2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) *Deferred income tax*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial information. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(d) *Investment tax credit*

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.20 Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statements of financial position.

2.21 Employee benefits

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the financial year to which they relate.

(b) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2.22 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts and returns. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction, the specifics of each arrangement and volume discounts.

(a) *Rental and warehousing lease income*

Rental and warehousing income are recognised upon acceptance of the tenancy. Rental and warehousing lease and related income from properties are recognised on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of total lease income. Penalty payments received from tenants on early termination, if any, are recognised when received.

(b) *Facilities management, logistics services and container services income*

Revenue from logistics services, container services, maintenance and facility services, security services, management services fee and parking income are recognised when services are rendered.

(c) *Interest income*

Interest income is recognised on a time-apportioned basis using the effective interest method.

2.23 Leases

Where the Group is lessee

(a) *Finance leases*

Leases of assets in which the Group assumes substantially the risks and rewards of ownership, including hire purchase contracts, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on remaining balance of the liability for each period.

(b) *Operating leases*

Leases of assets in which a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Payment made under operating leases are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

Where an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Where the Group is lessor

Operating leases:

Assets leased out under operating leases are included in investment properties and are stated at fair value and not depreciated. Rental income (net of any incentives given to lessees) is recognised in the profit or loss on a straight-line basis over the lease term.

2.24 Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to assets are deducted against the carrying amount of the assets.

2.25 Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the Group Managing Director who regularly review the segment results in order to allocate resources to the segments and to assess segment performance.

2.26 Share option scheme

The Group has adopted The LHN Performance Share Plan on 10 March 2015 to enable its employees to build up a stake in the Group. As at the 30 June 2017, there are no outstanding awards under The LHN Performance Share Plan.

The Scheme provides a means to recruit, retain and give recognition to employees who have contributed to the success and development of the Group.

Selected employees are also eligible to receive shares for free under the Performance Share Plan. The Board of Directors of LHN Group may at its absolute discretion, determine the number of shares, vesting conditions and the date by which the award will be vested. The employee benefit is recognised in profit or loss in the period in which the Board of Directors are satisfied that the participant has achieved set performance targets.

2.27 Non-current assets held-for-sale

Non-current assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that have been previously recognised) is recognised in profit or loss.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including currency risk and interest risk), credit risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

	<u>MYR</u>	<u>THB</u>	<u>IDR</u>	<u>USD</u>
	S\$'000	S\$'000	S\$'000	S\$'000
At 30 September 2014				
Financial assets				
Cash and bank balance	—	—	295	44
Trade and other receivables	—	—	1,101	—
	<u>—</u>	<u>—</u>	<u>1,396</u>	<u>44</u>
Financial liabilities				
Trade and other payables	—	—	2,286	1
	<u>—</u>	<u>—</u>	<u>2,286</u>	<u>1</u>
Net currency exposure	<u>—</u>	<u>—</u>	<u>(890)</u>	<u>43</u>

	<u>MYR</u> S\$'000	<u>THB</u> S\$'000	<u>IDR</u> S\$'000	<u>USD</u> S\$'000
At 30 September 2015				
Financial assets				
Cash and bank balance	14	131	454	919
Trade and other receivables	<u>53</u>	<u>173</u>	<u>466</u>	<u>1,543</u>
	<u>67</u>	<u>304</u>	<u>920</u>	<u>2,462</u>
Financial liabilities				
Trade and other payables	<u>2</u>	<u>117</u>	<u>609</u>	<u>1</u>
	<u>2</u>	<u>117</u>	<u>609</u>	<u>1</u>
Net currency exposure	<u><u>65</u></u>	<u><u>187</u></u>	<u><u>311</u></u>	<u><u>2,461</u></u>
At 30 September 2016				
Financial assets				
Cash and bank balance	12	43	467	881
Trade and other receivables	<u>50</u>	<u>250</u>	<u>566</u>	<u>1,369</u>
	<u>62</u>	<u>293</u>	<u>1,033</u>	<u>2,250</u>
Financial liabilities				
Trade and other payables	<u>1</u>	<u>92</u>	<u>947</u>	<u>406</u>
	<u>1</u>	<u>92</u>	<u>947</u>	<u>406</u>
Net currency exposure	<u><u>61</u></u>	<u><u>201</u></u>	<u><u>86</u></u>	<u><u>1,844</u></u>
At 30 June 2017				
Financial assets				
Cash and bank balance	10	130	513	895
Trade and other receivables	<u>48</u>	<u>509</u>	<u>561</u>	<u>1,433</u>
	<u>58</u>	<u>639</u>	<u>1,074</u>	<u>2,328</u>
Financial liabilities				
Trade and other payables	<u>1</u>	<u>265</u>	<u>972</u>	<u>494</u>
	<u>1</u>	<u>265</u>	<u>972</u>	<u>494</u>
Net currency exposure	<u><u>57</u></u>	<u><u>374</u></u>	<u><u>102</u></u>	<u><u>1,834</u></u>

Sensitivity Analysis for currency risk

With all other variables being held constant, a 5% strengthening/weakening of the MYR, THB, IDR and US\$ against Singapore Dollar at the reporting date would have either increased or decreased the Group's net profit after tax and equity by the amounts (nearest thousand) shown below:

<u>The Group</u>	<u>As at 30 September</u>			<u>As at</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>30 June</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>2017</u>
				<u>S\$'000</u>
IDR	(37)	13	4	4
USD	2	102	77	76
MYR	—	3	3	2
THB	—	8	8	16

(ii) Interest rate risk

The Group's interest rate risk arises primarily from bank borrowings and finance lease liabilities. Bank borrowings and finance lease liabilities at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk, respectively.

The Group manages its interest cost by using a mix of fixed and variable rate debt and to obtain the most favorable interest rates available.

The following table details the interest rate profile of the Group's borrowings at the end of each of the reporting periods:

	<u>Within 1 year</u>	<u>1–5 years</u>	<u>More than 5 years</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000
30 September 2014				
Fixed rate				
Fixed deposits	5,583	—	—	5,583
Obligations under finance lease	1,331	2,870	—	4,201
Amount owing to a director of subsidiaries	940	165	—	1,105
	<u>940</u>	<u>165</u>	<u>—</u>	<u>1,105</u>
Floating rate				
Bank borrowings	824	3,322	5,924	10,070
	<u>824</u>	<u>3,322</u>	<u>5,924</u>	<u>10,070</u>
30 September 2015				
Fixed rate				
Fixed deposits	14,680	—	—	14,680
Obligations under finance lease	1,534	2,294	—	3,828
Amount owing to a director of subsidiaries	166	—	—	166
	<u>166</u>	<u>—</u>	<u>—</u>	<u>166</u>
Floating rate				
Bank borrowings	1,420	5,805	12,249	19,474
	<u>1,420</u>	<u>5,805</u>	<u>12,249</u>	<u>19,474</u>
30 September 2016				
Fixed rate				
Fixed deposits	5,706	—	—	5,706
Obligations under finance lease	1,363	2,401	—	3,764
Amount owing to a director of subsidiaries	26	—	—	26
	<u>26</u>	<u>—</u>	<u>—</u>	<u>26</u>
Floating rate				
Bank borrowings	1,817	7,756	10,431	20,004
	<u>1,817</u>	<u>7,756</u>	<u>10,431</u>	<u>20,004</u>
30 June 2017				
Fixed rate				
Fixed deposits	5,576	—	—	5,576
Obligations under finance lease	1,562	2,665	—	4,227
Amount owing to a director of subsidiaries	14	—	—	14
	<u>14</u>	<u>—</u>	<u>—</u>	<u>14</u>
Floating rate				
Bank borrowings	3,897	7,717	9,138	20,752
	<u>3,897</u>	<u>7,717</u>	<u>9,138</u>	<u>20,752</u>

Sensitivity analysis for interest rate risk

As at 30 September 2014, 2015, 2016 and 30 June 2017, if interest rates on variable rate borrowings had been increased/decreased by 100 basis points, with all other variables held constant, the Group's profit after tax for the year would have been decreased/increased by approximately S\$84,000, S\$162,000, S\$166,000, and S\$161,000, mainly as a result of higher/lower interest expense on floating rate borrowings.

The sensitivity analysis above has been determined assuming that the change in interest rate had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for the Group's floating rate borrowings in existence at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period. The analysis was performed on the same methodology for the Track Record Period.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company or the Group to incur a financial loss. The Company's and the Group's exposure to credit risk arises primarily from trade and other receivables, bank deposits and advances to subsidiaries.

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Cash terms, advance payments, and letter of credits are required for customers of lower credit standing. The Group's objective is to seek continual growth while minimizing losses incurred due to increased credit risk exposure.

Exposure to credit risk

As the Company and the Group do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Group's policy is to provide financial guarantees only to subsidiaries and joint ventures. The maximum exposure to credit risk is the amount that the Company, LHN Group Pte. Ltd. and Work Plus Store Pte. Ltd. could have to pay if the corporate guarantees are called on for:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Hire-purchase facilities	4,200	3,200	3,300	3,600
Bank loan facilities	10,100	19,500	43,700	49,100
Banker's guarantee	5,100	3,400	3,400	2,900

As at the reporting date, the Group does not consider it probable that a claim will be made against the Company, LHN Group Pte. Ltd. and Work Plus Store Pte. Ltd. under the corporate guarantees.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that the counterparties fail to perform their obligations as of 30 June 2017 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statements of financial position. Cash is held with reputable financial institutions.

(c) Liquidity risk

Liquidity or funding risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group manages its liquidity risk by ensuring the availability of funding through its ability to operate profitably, maintaining sufficient cash to enable it to meet its normal operating commitments, having adequate amount of committed credit facilities.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

	<u>Less than 1 year</u>	<u>1–5 years</u>	<u>More than 5 years</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000
As at 30 September 2014				
Obligations under finance lease	1,418	2,954	—	4,372
Bank borrowings	1,104	4,521	6,837	12,462
Trade and other payables	<u>23,634</u>	<u>165</u>	<u>—</u>	<u>23,799</u>
	<u>26,156</u>	<u>7,640</u>	<u>6,837</u>	<u>40,633</u>
As at 30 September 2015				
Obligations under finance lease	1,618	2,358	—	3,976
Bank borrowings	1,911	7,804	14,086	23,801
Trade and other payables	<u>23,375</u>	<u>—</u>	<u>—</u>	<u>23,375</u>
	<u>26,904</u>	<u>10,162</u>	<u>14,086</u>	<u>51,152</u>
As at 30 September 2016				
Obligations under finance lease	1,447	2,505	—	3,952
Bank borrowings	2,280	9,492	11,657	23,429
Trade and other payables	<u>22,423</u>	<u>—</u>	<u>7</u>	<u>22,430</u>
	<u>26,150</u>	<u>11,997</u>	<u>11,664</u>	<u>49,811</u>
As at 30 June 2017				
Obligations under finance lease	1,663	2,789	—	4,452
Bank borrowings	2,414	9,316	10,165	21,895
Trade and other payables	<u>21,674</u>	<u>—</u>	<u>18</u>	<u>21,692</u>
	<u>25,751</u>	<u>12,105</u>	<u>10,183</u>	<u>48,039</u>

(d) Capital Risk

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

Gearing has a significant influence on the Group's capital structure and the Group monitors capital using a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as the sum of bank borrowings, trade and other payables and obligations under finance lease less cash and cash equivalents. Total capital is calculated as equity plus net debt.

As at 30 September 2014, 2015, 2016 and 30 June 2017, the gearing ratios are as follow:

	As at 30 September			As at 30 June
	2014	2015	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Finance lease liabilities	4,201	3,828	3,764	4,227
Borrowings	10,070	19,474	20,004	20,752
Trade and other payables	23,762	26,466	26,397	26,833
Less: cash and bank balances	(14,417)	(15,604)	(19,926)	(15,818)
Less: fixed deposit	(5,583)	(14,680)	(5,706)	(5,576)
	18,033	19,484	24,533	30,418
Net debt	18,033	19,484	24,533	30,418
Total equity	32,727	55,434	69,549	69,283
Total capital	50,760	74,918	94,082	99,701
Gearing ratio	0.36	0.26	0.26	0.31

(e) Fair value estimation

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (iii) Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 30 September 2014, 2015, 2016 and 30 June 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	S\$'000	S\$'000	S\$'000	S\$'000
As at 30 September 2014				
Investment properties:				
Industrial and commercial properties	<u>—</u>	<u>—</u>	<u>20,631</u>	<u>20,631</u>
Property, plant and equipment:				
Industrial property	<u>—</u>	<u>—</u>	<u>6,664</u>	<u>6,664</u>
As at 30 September 2015				
Investment properties:				
Industrial and commercial properties	<u>—</u>	<u>—</u>	<u>31,305</u>	<u>31,305</u>
Property, plant and equipment:				
Industrial property	<u>—</u>	<u>—</u>	<u>9,707</u>	<u>9,707</u>
As at 30 September 2016				
Investment properties:				
Industrial and commercial properties	<u>—</u>	<u>—</u>	<u>37,472</u>	<u>37,472</u>
Property, plant and equipment:				
Industrial property	<u>—</u>	<u>—</u>	<u>10,369</u>	<u>10,369</u>
As at 30 June 2017				
Investment properties:				
Industrial and commercial properties	<u>—</u>	<u>—</u>	<u>27,273</u>	<u>27,273</u>
Non-current asset classified as held for sale:				
Industrial property	<u>—</u>	<u>—</u>	<u>19,500</u>	<u>19,500</u>

Fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers based on indicative sale price of the property. The significant inputs and assumptions are developed in close consultation with management. The valuation report and fair value changes are reviewed by the directors at each reporting date.

Fair value measurements of Investment properties and property, plant and equipment — Industrial property

Investment properties and property, plant and equipment — Industrial property are carried at fair values at the end of reporting period as determined by independent professional valuers. Valuations are made at each financial statement date based on the properties' highest-and-best-use using the Direct Market Comparison Method that considers sales of similar properties that have been transacted in the open market. The most significant input into this valuation approach is selling price per square metre.

Reconciliation of movements in Level 3 fair value measurement

	Investment properties	Property, plant and equipment — Industrial property	Non-current asset classified as held for sale
	S\$'000	S\$'000	S\$'000
30 September 2014			
Beginning of financial year	14,578	4,351	—
Additions — Subsequent expenditure on property	500	642	—
Depreciation expenses	—	(163)	—
Gain recognised in profit and loss	5,784	—	—
Gain recognised in other comprehensive income	—	1,834	—
Currency translation differences	(231)	—	—
End of financial year	<u>20,631</u>	<u>6,664</u>	<u>—</u>
Change in unrealised gains for assets held at the end of the financial year included in profit or loss	<u>5,784</u>	<u>—</u>	<u>—</u>
30 September 2015			
Beginning of financial year	20,631	6,664	—
Additions — Subsequent expenditure on property	10,687	3,043	—
Depreciation expenses	—	(254)	—
Gain recognised in profit and loss	575	—	—
Gain recognised in other comprehensive income	—	254	—
Currency translation differences	(588)	—	—
End of financial year	<u>31,305</u>	<u>9,707</u>	<u>—</u>
Change in unrealised gains for assets held at the end of the financial year included in profit or loss	<u>575</u>	<u>—</u>	<u>—</u>
30 September 2016			
Beginning of financial year	31,305	9,707	—
Additions — Subsequent expenditure on property	2,968	696	—
Depreciation expenses	—	(264)	—
Transfers from/(to) property, plant and equipment	529	(529)	—
Gain recognised in profit and loss	2,071	—	—
Gain recognised in other comprehensive income	—	759	—
Currency translation differences	599	—	—
End of financial year	<u>37,472</u>	<u>10,369</u>	<u>—</u>
Change in unrealised gains for assets held at the end of the financial year included in profit or loss	<u>2,071</u>	<u>—</u>	<u>—</u>
30 June 2017			
Beginning of financial period	37,472	10,369	—
Transfers from/(to) property, plant and equipment	3,705	(3,705)	—
Transfers to non-current asset held for sale	(13,336)	(6,664)	20,000
Additions — Subsequent expenditure on investment property	994	—	—
Depreciation expenses	—	(137)	—
Loss recognised in profit and loss	(1,439)	—	(500)
Gain recognised in other comprehensive income	—	137	—
Currency translation differences	(123)	—	—
End of financial period	<u>27,273</u>	<u>—</u>	<u>19,500</u>
Change in unrealised losses for assets held at the end of the financial year included in profit or loss	<u>(1,439)</u>	<u>—</u>	<u>(500)</u>

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties, property, plant and equipment and non-current asset classified as held for sale categorised under Level 3 of the fair value hierarchy:

<u>Description</u>	<u>Fair value</u> (S\$'000)	<u>Valuation technique</u>	<u>Unobservable inputs^(a)</u>	<u>Range of unobservable inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
As at 30 September 2014					
Singapore	20,000	Direct comparison method	Transacted price of comparable properties	S\$2,000 to S\$3,600 per square metre	The higher the comparable value, the higher the fair value
Indonesia	7,295	Direct comparison method	Transacted price of comparable properties	S\$4,200 to S\$4,700 per square metre	The higher the comparable value, the higher the fair value
	<u>27,295</u>				
As at 30 September 2015					
Singapore	33,750	Direct comparison method	Transacted price of comparable properties	S\$1,900 to S\$4,000 per square metre	The higher the comparable value, the higher the fair value
Indonesia	7,262	Direct comparison method	Transacted price of comparable properties	S\$3,800 to S\$5,300 per square metre	The higher the comparable value, the higher the fair value
	<u>41,012</u>				
As at 30 September 2016					
Singapore	39,980	Direct comparison method	Transacted price of comparable properties	S\$2,300 to S\$5,000 per square metre	The higher the comparable value, the higher the fair value
Indonesia	7,861	Direct comparison method	Transacted price of comparable properties	S\$4,200 to S\$5,700 per square metre	The higher the comparable value, the higher the fair value
	<u>47,841</u>				

<u>Description</u>	<u>Fair value</u> (S\$'000)	<u>Valuation technique</u>	<u>Unobservable inputs^(a)</u>	<u>Range of unobservable inputs</u>	<u>Relationship of unobservable inputs to fair value</u>
As at 30 June 2017					
Singapore	40,000	Direct comparison method	Transacted price of comparable properties	S\$2,370 to S\$4,400 per square metre	The higher the comparable value, the higher the fair value
		Discounted cash flow	Discount rate	7.5%	The higher the rate, the lower the fair value
		Discounted cash flow	Terminal yield	5.75%–6%	The higher the rate, the lower the fair value
		Capitalisation rate	Capitalisation rate	5.5%–5.75%	The higher the rate, the lower the fair value
Indonesia	6,773	Direct comparison method	Transacted price of comparable properties	S\$3,900 to S\$4,600 per square metre	The higher the comparable value, the higher the fair value
	<u>46,773</u>				

^(a) There were no significant inter-relationships between unobservable inputs.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Fair value of investment properties and property, plant and equipment

The fair value of investment properties and property, plant and equipment is determined by using valuation technique. Details of the judgement and assumptions have been disclosed in Note 3(e).

(b) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be within the range as indicated in the accounting policy for property, plant and equipment and depreciation. The carrying amount of the Group's property, plant and equipment as at 30 September 2014, 2015, 2016 and 30 June 2017 were S\$19,869,000, S\$26,635,000, S\$26,453,000 and S\$17,372,000 respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. If the estimated useful lives on property, plant and equipment increases/decreases by 10% from management, the Group's profit for the year ended 30 September 2014, 2015, 2016 and for the nine months ended 30 June 2016 and 2017 will increase/decrease by S\$519,000, S\$553,000, S\$655,000, S\$485,000, S\$453,000, respectively.

5 SEGMENT INFORMATION

The Group Managing Director monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment results which in certain respects, set out below, are presented differently from operating profit or loss in the consolidated financial statements of the Group. The Group's reportable operating segments are as follows:

1. Industrial group
2. Commercial group
3. Residential group
4. Logistics group
5. Facilities management group

Industrial, Commercial and Residential groups form the space optimisation business.

The Group does not have a single customer whose revenue reports more than 5% of the Group's total revenue. Group taxation is managed on a group basis and is not allocated to operating segments.

Allocation basis and transfer pricing

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax expense and non-controlling interests.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties, if any.

Sales

Sales between segments are carried out at market terms. The revenue from external parties reported to the Group Managing Director is measured in a manner consistent with that in the statement of comprehensive income.

The Group Managing Director assesses the performance of the operating segments based on the segment result, being a measure of earnings before tax, interest, finance costs, share of results of associates and joint ventures and fair value gain or loss on investment properties from continuing operations.

Segment assets and liabilities

The amounts reported to the Group Managing Director with respect to the total assets and liabilities are measured in a manner consistent with that of the financial statements. Segment assets and liabilities include, investment properties, property, plant and equipment, bank borrowings and finance lease liabilities, that are directly attributable to a segment as well as items that can be allocated on a reasonable basis.

Segment breakdown for year ended 30 September 2014 are as follows:

	<u>Industrial</u>	<u>Commercial</u>	<u>Residential</u>	<u>Logistics</u>	<u>Facilities management</u>	<u>Others and eliminations</u>	<u>Consolidated</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Sales							
Total segment sales	41,341	22,936	16,286	12,063	15,663	—	108,289
Inter-segment sales	(857)	(1,738)	(7,406)	(363)	(7,185)	—	(17,549)
Sales to external parties	<u>40,484</u>	<u>21,198</u>	<u>8,880</u>	<u>11,700</u>	<u>8,478</u>	<u>—</u>	<u>90,740</u>
Segment results	<u>7,676</u>	<u>1,084</u>	<u>(979)</u>	<u>782</u>	<u>(39)</u>	<u>380</u>	<u>8,904</u>
Fair value gain on investment properties	3,786	1,998	—	—	—	—	5,784
Finance costs	(240)	(359)	(5)	(69)	(35)	—	(708)
Share of results of associates and joint venture	<u>11,222</u>	<u>2,723</u>	<u>(984)</u>	<u>713</u>	<u>(74)</u>	<u>380</u>	<u>13,980</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>23</u>	<u>1</u>	<u>24</u>
Profit before taxation	11,222	2,723	(984)	713	(51)	381	14,004
Taxation							(1,300)
Net profit after taxation							12,704
Non-controlling interests							<u>52</u>
Net profit attributable to equity holders of the Company							<u>12,756</u>
Segment assets	20,834	14,210	63	3,119	2,056	218	40,500
Investment in associates	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>62</u>	<u>—</u>	<u>62</u>
Total segment assets							<u>40,562</u>
Total segment liabilities	<u>10,125</u>	<u>—</u>	<u>—</u>	<u>2,611</u>	<u>1,535</u>	<u>—</u>	<u>14,271</u>
Capital expenditure	2,696	2,154	249	1,274	74	—	6,447
Depreciation of property, plant and equipment	<u>620</u>	<u>2,559</u>	<u>16</u>	<u>993</u>	<u>753</u>	<u>250</u>	<u>5,191</u>

Segment breakdown for year ended 30 September 2015 are as follows:

	<u>Industrial</u>	<u>Commercial</u>	<u>Residential</u>	<u>Logistics</u>	<u>Facilities management</u>	<u>Others and eliminations</u>	<u>Consolidated</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Sales							
Total segment sales	47,326	25,557	11,942	17,174	13,104	1,120	116,223
Inter-segment sales	(1,462)	(2,112)	(9,298)	(2,501)	(3,356)	(1,120)	(19,849)
Sales to external parties	<u>45,864</u>	<u>23,445</u>	<u>2,644</u>	<u>14,673</u>	<u>9,748</u>	<u>—</u>	<u>96,374</u>
Segment results	<u>3,541</u>	<u>1,394</u>	<u>1,964</u>	<u>1,258</u>	<u>(618)</u>	<u>(3,426)</u>	<u>4,113</u>
Fair value gain on investment properties	20	555	—	—	—	—	575
Finance costs	(339)	—	(6)	(70)	(31)	—	(446)
Share of results of associates and joint venture	<u>3,222</u>	<u>1,949</u>	<u>1,958</u>	<u>1,188</u>	<u>(649)</u>	<u>(3,426)</u>	<u>4,242</u>
Profit before taxation	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>26</u>	<u>—</u>	<u>26</u>
Taxation	3,222	1,949	1,958	1,188	(623)	(3,426)	4,268
Net profit after taxation							(214)
Non-controlling interests							4,054
Net profit attributable to equity holders of the Company							<u>169</u>
Segment assets	37,662	13,462	780	3,757	2,029	250	57,940
Investment in associates	—	—	—	—	88	—	88
Total segment assets							<u>58,028</u>
Total segment liabilities	<u>19,501</u>	<u>—</u>	<u>—</u>	<u>2,527</u>	<u>1,274</u>	<u>—</u>	<u>23,302</u>
Capital expenditure	16,941	2,151	1,383	1,745	722	—	22,942
Depreciation of property, plant and equipment	<u>307</u>	<u>3,132</u>	<u>132</u>	<u>1,096</u>	<u>741</u>	<u>123</u>	<u>5,531</u>

Segment breakdown for year ended 30 September 2016 are as follows:

	<u>Industrial</u>	<u>Commercial</u>	<u>Residential</u>	<u>Logistics</u>	<u>Facilities management</u>	<u>Others and eliminations</u>	<u>Consolidated</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Sales							
Total segment sales	52,286	25,197	11,278	19,070	15,829	2,672	126,332
Inter-segment sales	(246)	(1,457)	(10,394)	(3,488)	(3,370)	(2,672)	(21,627)
Sales to external parties	<u>52,040</u>	<u>23,740</u>	<u>884</u>	<u>15,582</u>	<u>12,459</u>	<u>—</u>	<u>104,705</u>
Segment results	<u>3,876</u>	<u>2,273</u>	<u>(610)</u>	<u>2,146</u>	<u>(98)</u>	<u>454</u>	<u>8,041</u>
Fair value gain on investment properties	2,071	—	—	—	—	—	2,071
Finance costs	(492)	—	—	(75)	(33)	—	(600)
Share of results of associates and joint venture	<u>5,455</u>	<u>2,273</u>	<u>(610)</u>	<u>2,071</u>	<u>(131)</u>	<u>454</u>	<u>9,512</u>
	<u>6,613</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>103</u>	<u>—</u>	<u>6,716</u>
Profit before taxation	12,068	2,273	(610)	2,071	(28)	454	16,228
Taxation							(1,127)
Net profit after taxation							15,101
Non-controlling interests							(7)
Net profit attributable to equity holders of the Company							<u>15,094</u>
Segment assets	44,857	12,330	1,182	3,686	1,638	232	63,925
Investment in associates	—	—	—	—	111	—	111
Investment in joint ventures	<u>7,113</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>181</u>	<u>—</u>	<u>7,294</u>
Total segment assets							<u>71,330</u>
Total segment liabilities	<u>20,004</u>	<u>—</u>	<u>—</u>	<u>2,556</u>	<u>1,208</u>	<u>—</u>	<u>23,768</u>
Capital expenditure	5,772	1,236	646	1,288	376	—	9,318
Depreciation of property, plant and equipment	<u>1,022</u>	<u>3,243</u>	<u>167</u>	<u>1,244</u>	<u>767</u>	<u>103</u>	<u>6,546</u>

Segment breakdown for the nine months ended 30 June 2017 are as follows:

	<u>Industrial</u>	<u>Commercial</u>	<u>Residential</u>	<u>Logistics</u>	<u>Facilities management</u>	<u>Others and eliminations</u>	<u>Consolidated</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Sales							
Total segment sales	32,980	18,806	8,424	20,432	14,831	1,810	97,283
Inter-segment sales	(268)	(1,292)	(7,320)	(4,483)	(2,343)	(1,810)	(17,516)
Sales to external parties	<u>32,712</u>	<u>17,514</u>	<u>1,104</u>	<u>15,949</u>	<u>12,488</u>	<u>—</u>	<u>79,767</u>
Segment results	<u>794</u>	<u>(102)</u>	<u>317</u>	<u>3,021</u>	<u>108</u>	<u>(3,497)</u>	<u>641</u>
Fair value loss on investment properties	(473)	(966)	—	—	—	—	(1,439)
Impairment loss on asset held-for-sale	(500)	—	—	—	—	—	(500)
Finance costs	(364)	—	—	(72)	(21)	—	(457)
Share of results of associates and joint venture	(543)	(1,068)	317	2,949	87	(3,497)	(1,755)
	<u>3,438</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(8)</u>	<u>—</u>	<u>3,430</u>
Profit/(loss) before taxation	2,895	(1,068)	317	2,949	79	(3,497)	1,675
Taxation							(341)
Net profit after taxation							1,334
Non-controlling interests							(296)
Net profit attributable to equity holders of the Company							<u>1,038</u>
Segment assets	25,297	11,203	1,298	4,555	1,509	783	44,645
Investment in associates	—	—	—	—	125	—	125
Investment in joint ventures	<u>11,143</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>158</u>	<u>—</u>	<u>11,301</u>
Total segment assets							<u>56,071</u>
Total segment liabilities	<u>20,752</u>	<u>12</u>	<u>—</u>	<u>3,098</u>	<u>1,117</u>	<u>—</u>	<u>24,979</u>
Capital expenditure	2,549	1,481	241	1,944	515	—	6,730
Depreciation of property, plant and equipment	<u>1,078</u>	<u>1,500</u>	<u>133</u>	<u>1,074</u>	<u>643</u>	<u>105</u>	<u>4,533</u>

Segment breakdown for the nine months ended 30 June 2016 are as follows:

(unaudited)

	<u>Industrial</u>	<u>Commercial</u>	<u>Residential</u>	<u>Logistics</u>	<u>Facilities management</u>	<u>Others and eliminations</u>	<u>Consolidated</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales							
Total segment sales	40,230	18,889	8,535	13,772	11,514	1,548	94,488
Inter-segment sales	<u>(182)</u>	<u>(1,161)</u>	<u>(7,926)</u>	<u>(2,455)</u>	<u>(2,492)</u>	<u>(1,548)</u>	<u>(15,764)</u>
Sales to external parties	<u>40,048</u>	<u>17,728</u>	<u>609</u>	<u>11,317</u>	<u>9,022</u>	<u>—</u>	<u>78,724</u>
Segment results	<u>3,196</u>	<u>1,761</u>	<u>73</u>	<u>1,870</u>	<u>*</u>	<u>364</u>	<u>7,264</u>
Finance costs	<u>(376)</u>	<u>—</u>	<u>—</u>	<u>(54)</u>	<u>(25)</u>	<u>—</u>	<u>(455)</u>
	2,820	1,761	73	1,816	(25)	364	6,809
Share of results of associates and joint ventures	<u>(112)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>24</u>	<u>—</u>	<u>(88)</u>
Profit/(loss) before taxation	2,708	1,761	73	1,816	(1)	364	6,721
Taxation							<u>(809)</u>
Net profit after taxation							5,912
Non-controlling interests							<u>(36)</u>
Net profit attributable to equity holders of the Company							<u>5,876</u>

Reconciliation of segments' total assets and total liabilities

	As at 30 September			As at 30 June
	2014	2015	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Reportable segments' assets are reconciled to total assets:				
Segment assets	40,562	58,028	71,330	56,071
Deferred tax assets	—	334	441	395
Long-term prepayment	333	285	658	452
Inventories	315	163	18	76
Trade and other receivables	10,222	14,346	12,829	13,419
Loans to joint ventures	—	—	7,002	8,747
Prepayment	985	3,212	3,652	2,824
Cash and bank balances	14,417	15,604	19,926	15,818
Fixed deposits	5,583	14,680	5,706	5,576
Non-current asset classified as held for sale	—	—	—	19,500
Total assets	72,417	106,652	121,562	122,878
Reportable segments' liabilities are reconciled to total liabilities:				
Segment liabilities	14,271	23,302	23,768	24,979
Trade and other payables	23,597	26,466	26,390	26,815
Provision for reinstatement costs	—	—	352	356
Current income tax liabilities	1,565	1,347	1,350	949
Deferred tax liabilities	223	230	266	304
Other payables	165	—	7	18
Total liabilities	39,821	51,345	52,133	53,421

(c) Geographical segment

The following table shows the distribution of the Group's revenue from external customers based on the location where goods are sold and services are provided:

	Revenue from external customers				
	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(Unaudited)</i>	
Singapore	90,678	95,819	102,861	77,532	76,968
Indonesia	62	490	1,101	779	1,090
Thailand	—	65	508	337	1,073
Myanmar	—	—	235	76	633
Other countries	—	—	—	—	3
	90,740	96,374	104,705	78,724	79,767

The following table shows the distribution of the Group's non-current assets excluding deferred tax assets based on geographical location of customers:

	Non-current assets			
	As at 30 September			As at 30 June
	2014	2015	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	32,484	48,637	61,449	47,245
Indonesia	8,411	8,831	9,253	7,883
Thailand	—	117	104	—
Myanmar	—	728	1,182	1,298
Other countries	—	—	—	97
	<u>40,895</u>	<u>58,313</u>	<u>71,988</u>	<u>56,523</u>

6 REVENUE

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	<i>(Unaudited)</i>				
Rental and warehousing lease income	69,292	69,461	71,992	54,844	46,709
Parking revenue	6,365	7,126	9,084	6,776	8,200
Logistics services	8,055	8,876	9,253	6,781	8,519
Container services	—	4,870	6,103	4,369	7,350
Facility revenue	1,110	1,927	3,570	2,585	3,520
Security services	1,466	2,278	2,981	2,092	3,336
Licence fee	—	27	338	143	1,053
Maintenance income	448	666	741	539	532
Furniture trading	824	837	272	263	4
General contract works	186	—	218	193	256
Management services fee income	2,916	298	114	80	220
Others	78	8	39	59	68
	<u>90,740</u>	<u>96,374</u>	<u>104,705</u>	<u>78,724</u>	<u>79,767</u>

7 OTHER INCOME

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(Unaudited)</i>	
Handling charges	218	234	223	164	166
Gain on disposal of property, plant and equipment	—	26	27	14	90
Interest income	70	115	225	121	227
Vehicle related costs	133	130	157	119	87
Government grants	99	428	307	307	176
Wage credit scheme and special employment credit*	253	472	595	481	304
Waiver of debt from a director of subsidiaries	81	127	86	57	22
Forfeiture of tenant deposit	—	63	109	72	105
Foreign exchange gain	—	—	342	—	—
Services charges	153	406	491	403	206
Rubbish disposal	86	74	14	14	—
Reversal of impairment loss on receivables	516	42	—	—	5
Interior design income	—	89	—	—	—
Miscellaneous charge to tenant	—	38	83	45	70
Other income	585	470	358	343	357
	<u>2,194</u>	<u>2,714</u>	<u>3,017</u>	<u>2,140</u>	<u>1,815</u>

* Wages credit scheme and special employment credit are incentives introduced by the Singapore Government to help business alleviate business costs in a tight labour market and to support business investments. These incentives are in the form of cash payout.

8 OTHER LOSSES — NET

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(Unaudited)</i>	
Impairment loss on trade receivables <i>(Note 21)</i>	110	381	309	42	29
Impairment loss on other receivables <i>(Note 21)</i>	—	10	9	—	4
Out of court settlement ¹	—	—	—	—	128
	<u>110</u>	<u>391</u>	<u>318</u>	<u>42</u>	<u>161</u>

¹ Out of court settlement pertains to settlement arising from a dispute on tenancy agreement between a subsidiary of the Group and a tenant of the subsidiary.

9 EXPENSES BY NATURE

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(Unaudited)</i>	
Advertising expenses	412	798	373	284	257
Commission fees	277	1,178	979	865	308
Entertainment expenses	172	214	159	117	120
Marketing expenses	111	131	293	183	135
Transportation costs	375	554	751	461	1,226
Container depot management charges	—	2,451	2,228	1,673	1,679
Rental expenses	49,723	53,999	56,991	43,242	43,575
Upkeep and maintenance costs	7,121	6,860	7,336	5,220	6,327
Consultancy fees	644	303	320	183	221
Depreciation of property, plant and equipment	5,191	5,531	6,546	4,846	4,533
Write-off of property, plant and equipment	37	22	52	45	35
Loss on disposal of property, plant and equipment	80	—	—	—	—
Listing expenses in relation to the Catalist Listing	—	1,558	—	—	—
Listing expenses in relation to the Dual Listing*	—	—	—	—	2,938
Professional fees	788	537	464	291	439
Vehicle-related expenses	115	112	175	75	51
Employee benefit costs (<i>Note 10</i>)	16,025	16,708	19,517	13,877	15,905
Insurance fees	419	491	509	386	504
IT Maintenance expenses	212	211	364	261	348
NETS/CEPAS Transaction Charges	111	118	130	97	119
Printing expenses	84	110	105	79	67
Telephone expenses	209	255	307	228	249
Auditor's remuneration					
— Audit services	137	210	209	180	195
— Non- audit services	92	105	113	75	84
Other expenses	1,585	2,128	1,442	890	1,465
	<u>83,920</u>	<u>94,584</u>	<u>99,363</u>	<u>73,558</u>	<u>80,780</u>

* Dual Listing represents the dual primary listing of the Shares on the Main Board of the Hong Kong Stock Exchange and the Catalist board of the SGX-ST.

10 EMPLOYEE BENEFIT COSTS — INCLUDING DIRECTORS' EMOLUMENTS

(a) Employee benefit expenses during the years/periods are as follows:

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(Unaudited)</i>	
Wages, salaries and allowances	15,122	15,342	17,837	12,695	14,486
Retirement benefit costs —					
defined contribution plans	903	1,260	1,472	1,056	1,280
Directors' fees	—	106	208	126	139
	<u>16,025</u>	<u>16,708</u>	<u>19,517</u>	<u>13,877</u>	<u>15,905</u>

Employee benefits expenses have been included in consolidated statement of profit or loss as follows:

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(Unaudited)</i>	
Cost of sales	8,191	8,770	9,875	7,096	7,743
Administrative expenses	<u>7,834</u>	<u>7,938</u>	<u>9,642</u>	<u>6,781</u>	<u>8,162</u>
	<u>16,025</u>	<u>16,708</u>	<u>19,517</u>	<u>13,877</u>	<u>15,905</u>

(b) Directors' emoluments

The remuneration of every director for the year ended 30 September 2014 is set out below:

Name of director	Fees	Salaries, allowances and benefits in kind	Employer's contribution to defined contribution plans	Other benefits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Executive directors					
Kelvin Lim ¹	—	687	14	—	701
Jess Lim ²	—	322	14	—	336
Independent non-executive directors					
Lee Gee Aik ³	—	—	—	—	—
Ch'ng Li-Ling ⁴	—	—	—	—	—
Eddie Yong ⁵	—	—	—	—	—
	<u>—</u>	<u>1,009</u>	<u>28</u>	<u>—</u>	<u>1,037</u>

The remuneration of every director for the year ended 30 September 2015 is set out below:

Name of director	Fees	Salaries, allowances and benefits in kind	Employer's contribution to defined contribution plans	Other benefits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Executive directors					
Kelvin Lim ¹	—	918	14	—	932
Jess Lim ²	—	312	14	—	326
Independent non-executive directors					
Lee Gee Aik ³	35	—	—	—	35
Ch'ng Li-Ling ⁴	29	—	—	—	29
Eddie Yong ⁵	29	—	—	—	29
	<u>93</u>	<u>1,230</u>	<u>28</u>	<u>—</u>	<u>1,351</u>

The remuneration of every director for the year ended 30 September 2016 is set out below:

Name of director	Fees	Salaries, allowances and benefits in kind	Employer's contribution to defined contribution plans	Other benefits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Executive directors					
Kelvin Lim ¹	—	1,098	17	—	1,115
Jess Lim ²	—	437	17	—	454
Independent non-executive directors					
Lee Gee Aik ³	63	—	—	—	63
Ch'ng Li-Ling ⁴	52	—	—	—	52
Eddie Yong ⁵	52	—	—	—	52
	<u>167</u>	<u>1,535</u>	<u>34</u>	<u>—</u>	<u>1,736</u>

The remuneration of every director for the nine months ended 30 June 2017 is set out below:

Name of director	Fees	Salaries, allowances and benefits in kind	Employer's contribution to defined contribution plans	Other benefits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Executive directors					
Kelvin Lim ¹	—	532	9	19	560
Jess Lim ²	—	216	9	—	225
Independent non-executive directors					
Lee Gee Aik ³	56	—	—	—	56
Ch'ng Li-Ling ⁴	40	—	—	—	40
Eddie Yong ⁵	39	—	—	—	39
Chan Ka Leung Gary ⁶	4	—	—	—	4
	<u>139</u>	<u>748</u>	<u>18</u>	<u>19</u>	<u>924</u>

The remuneration of every director for the nine months ended 30 June 2016 is set out below:

Name of director	Fees	Salaries, allowances and benefits in kind	Employer's contribution to defined contribution plans	Other benefits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Executive directors					
Kelvin Lim ¹	—	531	9	—	540
Jess Lim ²	—	216	9	—	225
Independent non-executive directors					
Lee Gee Aik ³	47	—	—	—	47
Ch'ng Li-Ling ⁴	39	—	—	—	39
Eddie Yong ⁵	39	—	—	—	39
	<u>125</u>	<u>747</u>	<u>18</u>	<u>—</u>	<u>890</u>

¹ Kelvin Lim is the Group's Executive Chairman and Group Managing Director. He was appointed to the Board on 10 July 2014.

² Jess Lim is the Group's Executive Director and Group Deputy Managing Director. She was appointed to the Board on 10 July 2014.

³ Lee Gee Aik is a Lead Independent Director of the Group. He was appointed to the Board on 10 March 2015. Lee Gee Aik resigned as an Independent Director of the Group on 5 June 2017.

⁴ Ch'ng Li-Ling is an Independent Director of the Group. She was appointed to the Board on 10 March 2015.

⁵ Eddie Yong is an Independent Director of the Group. He was appointed to the Board on 10 March 2015.

⁶ Chan Ka Leung Gary was appointed as an Independent Director on 5 June 2017.

During the Track Record Period, none of the directors of the Company waived any emoluments paid or payable by the Group companies and no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

(i) *Directors' retirement benefits*

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking during the Track Record Period.

(ii) *Directors' termination benefits*

No payment was made to directors as compensation for the early termination of the appointment during the Track Record Period.

(iii) *Consideration provided to third parties for making available directors' services*

No payment was made to the former employer of directors for making available the services of them as a director of the Company during the Track Record Period.

(iv) *Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors*

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period.

(v) *Directors' material interests in transactions, arrangements or contracts*

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Track Record Period.

(c) **Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the years ended 30 September 2014, 2015 and 2016 and nine months period ended 30 June 2016 and 2017 include two, two, two, two and two directors, respectively whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three individuals during the years ended 30 September 2014, 2015 and 2016 and the nine months ended 30 June 2016 and 2017, respectively are as follows:

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Wages, salaries and allowances	789	485	631	435	508
Retirement benefit costs — defined contribution plans	32	28	52	26	28
	<u>821</u>	<u>513</u>	<u>683</u>	<u>461</u>	<u>536</u>

The emoluments of above individuals are within the following band:

	Number of individuals				
	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
				<i>(Unaudited)</i>	
Emoluments band					
Nil–HK\$1,000,000 (equivalent to S\$185,328)	2	1	1	3	2
HK\$1,000,001–HK\$2,500,000 (equivalent S\$185,329 to S\$463,315)	<u>1</u>	<u>2</u>	<u>2</u>	<u>—</u>	<u>1</u>

11 FINANCE COST — NET

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(Unaudited)</i>	
Interest expense on borrowings	462	306	492	376	364
Interest expense on finance leases	154	102	107	79	93
Interest amount owing to a director of subsidiaries	<u>92</u>	<u>38</u>	<u>1</u>	<u>—</u>	<u>—</u>
Finance cost — net	<u>708</u>	<u>446</u>	<u>600</u>	<u>455</u>	<u>457</u>

12 INCOME TAX EXPENSE

Tax has been provided at the applicable tax rate on the estimated assessable profit during the Track Record Period.

The amount of income tax expense charged to the consolidated statements of profit or loss represents:

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(Unaudited)</i>	
Current income tax	1,207	599	973	809	271
Deferred income tax (<i>Note 20</i>)	<u>(8)</u>	<u>(327)</u>	<u>(182)</u>	<u>—</u>	<u>84</u>
	<u>1,199</u>	<u>272</u>	<u>791</u>	<u>809</u>	<u>355</u>
Under/(over) provision in respect of prior years					
— current taxation	101	(58)	225	—	(14)
— deferred taxation (<i>Note 20</i>)	<u>—</u>	<u>—</u>	<u>111</u>	<u>—</u>	<u>—</u>
Income tax expense	<u>1,300</u>	<u>214</u>	<u>1,127</u>	<u>809</u>	<u>341</u>

The tax on the Group's profit before income tax differs from the theoretical amount as follows:

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(Unaudited)</i>	
Profit before tax	14,004	4,268	16,228	6,721	1,675
Tax calculated at rate of 17%	2,381	726	2,759	1,143	285
Tax effect of:					
— expenses not deductible for tax purposes	426	977	1,004	611	1,413
— non-taxable income	(852)	(426)	(1,945)	—	(585)
Group relief utilised	(325)	(766)	(399)	(399)	(718)
Enhanced PIC deduction	(484)	(599)	(661)	(496)	(414)
Deferred tax assets on temporary differences not recognised	594	933	684	267	697
Utilisation of deferred tax assets not recognised in prior years	(42)	(92)	(12)	—	(114)
Effect of different tax rates in different jurisdictions	37	(50)	(17)	24	56
Singapore statutory income exemption	(537)	(432)	(618)	(342)	(262)
Under/(over) provision of current and deferred taxation in respect of prior years	101	(58)	336	—	(14)
Others	1	1	(4)	1	(3)
Income tax expense	<u>1,300</u>	<u>214</u>	<u>1,127</u>	<u>809</u>	<u>341</u>

Subject to agreement with Singapore Tax Authority, as at 30 September 2014, 2015, 2016 and 30 June 2017, the Group has unutilised tax losses of S\$328,000, S\$355,000, S\$1,062,000 and S\$1,062,000 respectively and unabsorbed capital allowances of S\$nil, S\$224,000, S\$2,421,000 and S\$2,421,000 respectively, which are available for offsetting against future taxable profits provided that the provision of tax legislation are complied with. The related tax benefits of S\$56,000, S\$98,000, S\$592,000 and S\$592,000 have not been recognised in the financial statements of the Group as at 30 September 2014, 2015, 2016 and 30 June 2017 as there is no reasonable certainty of their realisation in future periods.

In the financial years/periods ended 30 September 2014, 2015, 2016 and 30 June 2017, the Group has utilised the unabsorbed capital allowances and unutilised tax losses totalling to S\$2,757,000, S\$4,656,000, S\$2,350,000 and S\$4,912,000 respectively.

The Thailand and Myanmar subsidiaries did not have chargeable income subject to tax during the Track Record Period.

There were no significant business activities in Malaysia.

The Group is not exposed to any significant deferred tax on foreign subsidiaries in Indonesia and Thailand as the business relates mainly to owning of investment properties and provision of container depot services respectively.

13 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares deemed to be in issue during each of the years ended 30 September 2014, 2015 and 2016 and the nine months ended 30 June 2016 and 2017:

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(Unaudited)</i>	
Net profit attributable to equity holders of the Company	12,756	4,223	15,094	5,876	1,038
Weighted average number of ordinary shares ('000)	275,000	316,020	361,335	361,660	360,269
Basic earnings per share (S\$ cent)	<u>4.64</u>	<u>1.34</u>	<u>4.18</u>	<u>1.62</u>	<u>0.29</u>

Diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during the Track Record Period.

The calculation of the basic and diluted earnings per share for the years were adjusted retrospectively for the number of ordinary shares issued after the share split of 275,000,000 which was completed on 10 March 2015.

	Year ended 30 September			Nine months ended 30 June
	2014	2015	2016	2017
	No of ordinary shares ('000)	No of ordinary shares ('000)	No of ordinary shares ('000)	No of ordinary shares ('000)
Ordinary shares ('000)				
Shares issued at date of incorporation/beginning of the year	2,000	275,000	361,524	360,004
Effect of capitalisation issue on the date of Singapore Listing	273,000	—	—	—
Effect of issue of Pre-IPO New Shares for Singapore Listing and sponsor fee	—	6,392	—	—
Effect of shares issued by public offering on the date of Singapore Listing	—	34,628	—	—
Effect of shares issued for employee performance	—	—	187	265
Effect of purchase of treasury share	—	—	(376)	—
Weighted average number of ordinary shares for basic earnings per share	<u>275,000</u>	<u>316,020</u>	<u>361,335</u>	<u>360,269</u>

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings	Renovation works	Construction- in-progress	Plant and machinery	Furniture and fittings	Office equipment	Logistics equipment	Motor vehicles	Computers	Containers	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<i>Cost or valuation</i>											
As at 1 October 2013	4,351	18,742	—	4,831	1,731	973	3,856	480	1,256	76	36,296
Additions	642	2,970	45	625	342	205	782	68	268	—	5,947
Written off	—	(2,465)	—	—	(108)	(95)	—	—	—	—	(2,668)
Disposals	—	(703)	—	(24)	(337)	(26)	(68)	(19)	—	(13)	(1,190)
Adjustment arising from revaluation	1,671	—	—	—	—	—	—	—	—	—	1,671
Currency translation	—	(16)	—	—	(3)	2	—	(1)	*	—	(18)
As at 30 September 2014	6,664	18,528	45	5,432	1,625	1,059	4,570	528	1,524	63	40,038
Representing:											
Cost	—	18,528	45	5,432	1,625	1,059	4,570	528	1,524	63	33,374
Valuation	6,664	—	—	—	—	—	—	—	—	—	6,664
	6,664	18,528	45	5,432	1,625	1,059	4,570	528	1,524	63	40,038
<i>Accumulated depreciation and impairment losses</i>											
As at 1 October 2013	—	(12,192)	—	(1,347)	(731)	(450)	(2,123)	(319)	(1,126)	(63)	(18,351)
Depreciation for the year	(163)	(2,737)	—	(1,009)	(180)	(164)	(556)	(69)	(309)	(4)	(5,191)
Written off	—	2,457	—	—	79	95	—	—	—	—	2,631
Disposals	—	325	—	15	126	26	68	5	—	13	578
Adjustment arising from revaluation	163	—	—	—	—	—	—	—	—	—	163
Currency translation differences	—	1	—	—	—	—	—	—	—	—	1
As at 30 September 2014	—	(12,146)	—	(2,341)	(706)	(493)	(2,611)	(383)	(1,435)	(54)	(20,169)
<i>Net book value</i>											
As at 30 September 2014	6,664	6,382	45	3,091	919	566	1,959	145	89	9	19,869

	Leasehold buildings	Renovation works	Construction- in-progress	Plant and machinery	Furniture and fittings	Office equipment	Logistics equipment	Motor vehicles	Computers	Containers	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<i>Cost or valuation</i>											
As at 1 October 2014	6,664	18,528	45	5,432	1,625	1,059	4,570	528	1,524	63	40,038
Additions	3,043	4,841	865	1,331	533	59	1,002	133	446	2	12,255
Transfer	—	24	(50)	26	—	—	—	—	—	—	—
Written off	—	(62)	—	—	—	(2)	—	—	—	(2)	(66)
Disposals	—	(84)	—	(27)	(61)	—	(99)	(11)	—	—	(282)
Currency translation	—	(99)	—	—	(14)	(12)	(1)	(2)	(12)	—	(140)
As at 30 September 2015	9,707	23,148	860	6,762	2,083	1,104	5,472	648	1,958	63	51,805
Representing:											
Cost	—	23,148	860	6,762	2,083	1,104	5,472	648	1,958	63	42,098
Valuation	9,707	—	—	—	—	—	—	—	—	—	9,707
	9,707	23,148	860	6,762	2,083	1,104	5,472	648	1,958	63	51,805
<i>Accumulated depreciation and impairment losses</i>											
As at 1 October 2014	—	(12,146)	—	(2,341)	(706)	(493)	(2,611)	(383)	(1,435)	(54)	(20,169)
Depreciation for the year	(254)	(2,991)	—	(1,083)	(186)	(171)	(657)	(56)	(129)	(4)	(5,531)
Written off	—	40	—	—	—	2	—	—	—	2	44
Disposals	—	84	—	19	18	—	88	3	—	—	212
Adjustment arising from revaluation	254	—	—	—	—	—	—	—	—	—	254
Currency translation differences	—	14	—	—	2	2	(1)	1	2	—	20
As at 30 September 2015	—	(14,999)	—	(3,405)	(872)	(660)	(3,181)	(435)	(1,562)	(56)	(25,170)
<i>Net book value</i>											
As at 30 September 2015	9,707	8,149	860	3,357	1,211	444	2,291	213	396	7	26,635

	Leasehold buildings	Renovation works	Construction- in-progress	Plant and machinery	Furniture and fittings	Office equipment	Logistics equipment	Motor vehicles	Computers	Containers	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<i>Cost or valuation</i>											
As at 1 October 2015	9,707	23,148	860	6,762	2,083	1,104	5,472	648	1,958	63	51,805
Additions	—	1,888	2,405	330	385	164	953	24	162	39	6,350
Transfer	696	2,345	(3,023)	(34)	—	16	—	—	—	—	—
Written off	—	(127)	—	—	(77)	(5)	—	—	(9)	—	(218)
Disposals	—	(1,453)	—	(3)	(33)	(12)	(166)	(21)	(3)	—	(1,691)
Transfer to investment properties (<i>Note 15</i>)	(529)	—	—	—	—	—	—	—	—	—	(529)
Adjustment arising from revaluation	495	—	—	—	—	—	—	—	—	—	495
Currency translation	—	104	(19)	(4)	6	12	—	2	16	—	117
As at 30 September 2016	10,369	25,905	223	7,051	2,364	1,279	6,259	653	2,124	102	56,329
Representing:											
Cost	—	25,905	223	7,051	2,364	1,279	6,259	653	2,124	102	45,960
Valuation	10,369	—	—	—	—	—	—	—	—	—	10,369
	10,369	25,905	223	7,051	2,364	1,279	6,259	653	2,124	102	56,329
<i>Accumulated depreciation and impairment losses</i>											
As at 1 October 2015	—	(14,999)	—	(3,405)	(872)	(660)	(3,181)	(435)	(1,562)	(56)	(25,170)
Depreciation for the year	(264)	(3,727)	—	(1,239)	(235)	(177)	(702)	(51)	(146)	(5)	(6,546)
Written off	—	125	—	—	27	5	—	—	9	—	166
Disposals	—	1,239	—	3	7	10	166	15	3	—	1,443
Adjustment arising from revaluation	264	—	—	—	—	—	—	—	—	—	264
Currency translation differences	—	(21)	—	—	(2)	(2)	—	—	(8)	—	(33)
As at 30 September 2016	—	(17,383)	—	(4,641)	(1,075)	(824)	(3,717)	(471)	(1,704)	(61)	(29,876)
<i>Net book value</i>											
As at 30 September 2016	10,369	8,522	223	2,410	1,289	455	2,542	182	420	41	26,453

	Leasehold buildings	Renovation works	Construction- in-progress	Plant and machinery	Furniture and fittings	Office equipment	Logistics equipment	Motor vehicles	Computers	Containers	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<i>Cost or valuation</i>											
As at 1 October 2016	10,369	25,905	223	7,051	2,364	1,279	6,259	653	2,123	102	56,328
Additions	—	944	1,606	1,543	354	361	598	124	206	—	5,736
Transfer	—	999	(1,134)	—	80	14	—	—	41	—	—
Written off	—	(659)	—	(32)	(86)	(90)	(297)	—	(40)	—	(1,204)
Disposals	—	—	—	—	—	—	—	(14)	—	—	(14)
Transfer to investment properties (<i>Note 15</i>)	(3,705)	—	—	—	—	—	—	—	—	—	(3,705)
Transfer to non-current asset held for sale (<i>Note 26</i>)	(6,664)	—	—	—	—	—	—	—	—	—	(6,664)
Currency translation	—	(29)	5	*	(1)	(3)	1	(1)	(4)	—	(32)
As at 30 June 2017	—	27,160	700	8,562	2,711	1,561	6,561	762	2,326	102	50,445
Representing:											
Cost	—	27,160	700	8,562	2,711	1,561	6,561	762	2,326	102	50,445
<i>Accumulated depreciation and impairment losses</i>											
As at 1 October 2016	—	(17,383)	—	(4,641)	(1,075)	(824)	(3,717)	(471)	(1,702)	(61)	(29,874)
Depreciation for the period	(137)	(2,259)	—	(965)	(189)	(151)	(604)	(52)	(170)	(6)	(4,533)
Written off	—	659	—	24	70	80	297	—	39	—	1,169
Disposals	—	—	—	—	—	—	—	10	—	—	10
Adjustment arising from revaluation	137	—	—	—	—	—	—	—	—	—	137
Currency translation differences	—	17	—	—	1	—	—	*	2	(2)	18
As at 30 June 2017	—	(18,966)	—	(5,582)	(1,193)	(895)	(4,024)	(513)	(1,831)	(69)	(33,073)
<i>Net book value</i>											
As at 30 June 2017	—	8,194	700	2,980	1,518	666	2,537	249	495	33	17,372

* Amounts are less than S\$500

During the Track Record Period, all the depreciation expense is charged to administrative expense in the consolidated statements of profit and loss.

Included within additions in the Historical Financial Information are plant and machinery and logistics equipment acquired under finance lease are as follows:

	Year ended 30 September			Nine months ended
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
Plant and machinery	400	533	159	1,097
Logistics equipment	714	516	890	558
	<u>1,114</u>	<u>1,049</u>	<u>1,049</u>	<u>1,655</u>

The carrying amounts of plant and machinery, logistics equipment and motor vehicles held under finance leases are as follows:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
At net book value				
Plant and machinery	2,721	2,295	1,814	2,499
Logistics equipment	1,889	2,131	2,393	2,426
Motor vehicles	33	24	111	86
	<u>4,643</u>	<u>4,450</u>	<u>4,318</u>	<u>5,011</u>

The leasehold building of the Group were valued by independent professional valuers based on the properties' highest-and-best-use using direct market comparison method and discounted cash flow approach at the balance sheet dates. These are regarded as level 3 fair values. A description of the valuation techniques and valuation processes of the Group are disclosed in Note 3(e).

The carrying amount of the leasehold buildings of the Group would have been S\$4,531,000, S\$7,392,000, \$7,263,000 and Nil respectively as at 30 September 2014, 2015, 2016 and 30 June 2017 had the leasehold buildings have been carried at historical cost less accumulated depreciation and impairment loss.

- (a) The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflect of the leasehold building.

At the end of each financial periods, the Group assesses the property valuation movements when compared to prior year valuation report.

Changes in Level 2 and 3 fair values are analysed at each reporting date during Audit Committee Meetings.

Further details of fair value measurement are disclosed in Note 3(e).

15 INVESTMENT PROPERTIES

Investment properties are carried at fair values at the end of reporting period as determined by independent professional valuers. Valuations are made at least annually based on the properties' highest-and-best-use using the Direct Market Comparison Method and discounted cash flow approach in determining the open market values.

The Direct Market Comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to reflect the characteristics of the investment properties.

The discounted cash flow approach involves a projection of future net operating income and is discounted at an appropriate discount rate. Future net operating income is derived by deducting from future gross income against direct operating expense.

At each financial year end, the Group assesses property valuation movements when compared to prior year valuation report.

Further details of fair value measurement are disclosed in Note 3(e).

	<u>Year ended 30 September</u>			<u>Nine months ended</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>30 June</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>2017</u>
				<u>S\$'000</u>
At fair value				
Beginning of the year/period	14,578	20,631	31,305	37,472
Acquisitions	500	10,687	2,968	994
Reclassification from property, plant and equipment	—	—	529	3,705
Reclassification to non-current asset held for sale	—	—	—	(13,336)
Net gain/(loss) from fair value adjustment	5,784	575	2,071	(1,439)
Currency translation differences	(231)	(588)	599	(123)
End of the year/period	<u>20,631</u>	<u>31,305</u>	<u>37,472</u>	<u>27,273</u>

The following amounts are recognised in consolidated statement of profit or loss:

	<u>Year ended 30 September</u>			<u>Nine months ended</u>	
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Rental income	806	1,422	1,618	1,031	1,317
Direct operating expenses arising from investment properties that generated rental income	293	361	338	193	282
Direct operating expenses from investment properties that did not generate rental income	—	4	58	40	—
	<u>—</u>	<u>4</u>	<u>58</u>	<u>40</u>	<u>—</u>

The investment properties comprises:

Location & Description	Area sq. metres	Tenure	Fair value			
			As at 30 September			As at 30 June
			2014	2015	2016	2017
			S\$'000	S\$'000	S\$'000	S\$'000
72 Eunos Avenue 7, Singapore 6-storey multiple-user light industrial building	4,210.9	30 years lease commencing from 1 January 2011	13,336	13,336	13,336	—
100 Eunos Avenue 7, Singapore 5-storey multiple-user light industrial building	6,315.3	60 years lease commencing from 1 July 1980	—	10,187	15,795	20,000
23 Woodlands Industrial Park A flatted industrial unit	160.0	60 years lease commencing from 9 January 1995	—	520	480	500
38th floor, 88 Building, Jalan Kasablanka Raya Kav, Jakarta, Indonesia 4 units of office building	1,737.0	14 years lease commencing from 1 July 2013	7,295	7,262	7,861	6,773
			<u>20,631</u>	<u>31,305</u>	<u>37,472</u>	<u>27,273</u>

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year/period based on the properties highest and best use.

The valuers hold a recognised and relevant professional qualification and have recent experience in location and category of the investment properties being valued.

Note:

- (a) Industrial buildings at 100 Eunos Avenue 7 and 72 Eunos Avenue 7, Singapore are mortgaged for bank borrowings, disclosed in Note 33.
- (b) The investment properties are leased to related and non-related parties under operating leases. Please refer to Note 36 for operating leases to non-related parties.

16 INVESTMENT IN SUBSIDIARIES

	<u>Company</u>			<u>As at 30 June 2017</u>
	<u>As at 30 September</u>			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Equity investments at cost</i>	—	32,727	32,727	32,727

The directors are of the opinion that the subsidiaries with non-controlling interest were not material to the Group. Accordingly summarised Historical Financial Information is not presented.

17 INVESTMENTS IN ASSOCIATES

	<u>As at 30 September</u>			<u>As at 30 June 2017</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	
	S\$'000	S\$'000	S\$'000	
Unquoted equity investment, at cost	10	10	10	10
Share of post-acquisition reserves	52	78	101	115
	<u>62</u>	<u>88</u>	<u>111</u>	<u>125</u>
Share of associated company's result, net of tax	<u>24</u>	<u>26</u>	<u>23</u>	<u>14</u>

The directors are of the opinion that the associates were not material to the Group. Accordingly, summarised historical financial information is not presented.

Set out below is the associates of the Group as at 30 September 2014, 2015 and 2016, and 30 June 2017. The associates has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

<u>Name of entity</u>	<u>Place of business/ country of incorporation</u>	<u>Principal activity</u>	<u>% of ownership interest as at</u>			
			<u>30 September 2014</u>	<u>30 September 2015</u>	<u>30 September 2016</u>	<u>30 June 2017</u>
Nopest Pte. Ltd.	Singapore	Pest control consultancy and pest consultancy services	50	50	50	50
Epika Pte. Ltd.*#	Singapore	Inactive	33	33	33	—

Epika Pte. Ltd. was struck off on 9 March 2017.

* The unquoted equity investment in Epika Pte. Ltd. is less than S\$1,000.

18 INVESTMENTS IN JOINT VENTURES

	<u>As at 30 September</u>			<u>As at</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>30 June</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>2017</u>
				<u>S\$'000</u>
Unquoted equity investment, at cost	—	—	600	1,050
Share of results of joint ventures	—	—	6,694	10,251
	—	—	7,294	11,301

On 10 October 2016, the Group completed its acquisition of 50% equity interest in Four Star Industries Pte. Ltd. a company incorporated in Singapore, for approximately S\$450,000. The Group has performed a notional purchase price allocation and recognised a gain from bargain purchase of approximately S\$3,800,000, which has been included in the share of results of joint venture in the consolidated statements of profit or loss for the nine months ended 30 June 2017.

Set out below is the joint venture of the Group as at 30 September 2016 and 30 June 2017 which, in the opinion of the directors, is material to the Group. The joint venture has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

<u>Name of entity</u>	<u>Place of business/ country of incorporation</u>	<u>% of ownership interest as at</u>	
		<u>30 September 2016</u>	<u>30 June 2017</u>
Metropolitan Parking Pte. Ltd.	Singapore	50	50
Work Plus Store (AMK) Pte. Ltd.	Singapore	50	50
Automobile Pre Delivery Base Pte. Ltd.	Singapore	50	50
Four Star Industries Pte. Ltd.	Singapore	—	50

Metropolitan Parking Pte. Ltd. provides carpark management and operations services principally in Singapore and gives the consumers of the Group access to facilities and parking services.

Work Plus Store (AMK) Pte. Ltd. provides general warehousing and business support services principally in Singapore and gives the Group access to efficient freight forwarding processes and quality warehousing service processes.

Automobile Pre Delivery Base Pte. Ltd. provides freight transportation and logistics services principally in Singapore. The company is struck off in-progress.

Four Star Industries Pte. Ltd. was acquired by the Group on 10 October 2016. The company manufactures pocketed spring mattresses principally in Singapore.

Summarised historical financial information for joint ventures

Set out below is the summarised historical financial information for Metropolitan Parking Pte. Ltd and Work Plus Store (AMK) Pte. Ltd. As the joint ventures are formed only in financial year ended 30 September 2016, no prior year comparative figure available:

Summarised statement of financial position

	As at 30 September 2016			
	Metropolitan Parking Pte. Ltd	Work Plus Store (AMK) Pte. Ltd.	Automobile Pre Delivery Base Pte. Ltd.	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	<u>274</u>	<u>3,987</u>	*	<u>4,261</u>
Includes:				
— Cash and cash equivalents	251	2,388	*	2,639
Non-current assets	27,001	45,000	—	72,001
Current liabilities	<u>(6,945)</u>	<u>(9,771)</u>	—	<u>(16,716)</u>
Includes:				
— Financial liabilities (excluding trade payables)	(832)	(1,516)	—	(2,348)
— Other current liabilities (including trade payables)	(6,113)	(8,255)	—	(14,368)
Non-current liabilities	<u>(19,968)</u>	<u>(24,990)</u>	—	<u>(44,958)</u>
Includes:				
— Financial liabilities	(19,968)	(24,990)	—	(44,958)
Net assets	<u>362</u>	<u>14,226</u>	*	<u>14,588</u>

As at 30 June 2017					
	Metropolitan Parking Pte. Ltd	Work Plus Store (AMK) Pte. Ltd.	Four Star Industries Pte. Ltd.	Automobile Pre Delivery Base Pte. Ltd.	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	748	554	2,328	*	3,630
Includes:					
— Cash and cash equivalents	415	176	371	*	962
Current liabilities	(8,089)	(9,676)	(6,727)	—	(24,492)
Includes:					
— Financial liabilities (excluding trade payables)	(832)	(1,531)	(868)	—	(3,231)
— Other current liabilities (including trade payables)	(7,257)	(8,145)	(5,859)	—	(21,261)
Non-current assets	27,001	52,056	18,134	—	97,191
Non-current liabilities	(19,344)	(29,718)	(4,665)	—	(53,727)
Includes:					
— Financial liabilities	(19,344)	(29,718)	(3,742)	—	(52,804)
Net assets	316	13,216	9,070	*	22,602

Summarised statement of comprehensive income

Year ended 30 September 2016				
	Metropolitan Parking Pte. Ltd	Work Plus Store (AMK) Pte. Ltd.	Automobile Pre Delivery Base Pte. Ltd.	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	67	23	—	90
Net profit and total comprehensive income for the period	162	13,226	*	13,388
The above profit for the year includes the following:				
— Depreciation and amortisation	—	—	—	—
— Interest expense	(67)	(261)	—	(328)
— Fair value gain on investment properties	225	13,882	—	14,107

	Nine months ended 30 June 2017				
	Metropolitan Parking Pte. Ltd	Work Plus Store (AMK) Pte. Ltd.	Four Star Industries Pte. Ltd.	Automobile Pre Delivery Base Pte. Ltd.	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	—	—	—	—	—
Revenue	711	437	1,716	—	2,864
Net profit and total comprehensive income for the period	(46)	(1,010)	570	—	(486)
The above profit for the period includes the following:					
— Depreciation and amortisation	—	—	—	—	—
— Interest expense	(522)	(717)	(111)	—	(1,350)
— Fair value gain on property, plant and equipment and investment properties	—	71	133	—	204

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint ventures.

* Amounts are less than S\$500

Reconciliation of summarised historical financial information

Reconciliation of the summarised historical financial information presented to the carrying amount of the Group's interest in joint ventures, is as follows:

	Metropolitan Parking Pte. Ltd	Work Plus Store (AMK) Pte. Ltd.	Four Star Industries Pte. Ltd.	Automobile Pre Delivery Base Pte. Ltd.	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Opening net assets at 1 October 2015	—	—	—	—	—
Cost of investment	200	1,000	—	*	1,200
Total comprehensive income for the period	<u>162</u>	<u>13,226</u>	<u>—</u>	<u>*</u>	<u>13,388</u>
Closing net assets at 30 September 2016	<u>362</u>	<u>14,226</u>	<u>—</u>	<u>*</u>	<u>14,588</u>
Interest in Joint Venture @ 50%	<u>181</u>	<u>7,113</u>	<u>—</u>	<u>*</u>	<u>7,294</u>
Carrying value at 30 September 2016	<u><u>181</u></u>	<u><u>7,113</u></u>	<u><u>—</u></u>	<u><u>*</u></u>	<u><u>7,294</u></u>
Opening net assets at 1 October 2016	362	14,226	—	*	14,588
Cost of investment	—	—	900	—	900
Total comprehensive income for the period	<u>(46)</u>	<u>(1,010)</u>	<u>570</u>	<u>—</u>	<u>(486)</u>
Closing net assets at 30 June 2017	<u>316</u>	<u>13,216</u>	<u>1,470</u>	<u>*</u>	<u>15,002</u>
Interest in Joint Venture @ 50%	158	6,608	735	*	7,501
Gain on bargain purchase in respect to Group's acquisition of Four Star Industrial Pte. Ltd	<u>—</u>	<u>—</u>	<u>3,800</u>	<u>*</u>	<u>3,800</u>
Carrying value at 30 June 2017	<u><u>158</u></u>	<u><u>6,608</u></u>	<u><u>4,535</u></u>	<u><u>*</u></u>	<u><u>11,301</u></u>

* Amounts are less than S\$500

19 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Assets as per consolidated statements of financial position				
Loans and receivables				
— Trade and other receivables excluding prepayments	10,222	14,346	12,829	13,419
— Loan to joint ventures	—	—	7,002	8,747
— Cash and cash equivalents	14,417	15,604	19,926	15,818
— Fixed deposits	5,583	14,680	5,706	5,576
Total	30,222	44,630	45,463	43,560
Liabilities as per consolidated statements of financial position				
Other financial liabilities subsequently measured at amortised cost				
— Borrowings (excluding finance lease liabilities)	10,070	19,474	20,004	20,752
— Trade and other payables	23,762	26,466	26,397	26,833
— Finance lease liabilities	4,201	3,828	3,764	4,227
Total	38,033	49,768	50,165	51,812

20 DEFERRED INCOME TAX

The analysis of deferred income tax asset/(liability) is as follows:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Deferred income tax asset:				
— To be settled after one year	—	334	441	395
Deferred income tax liability:				
— To be settled after one year	(223)	(230)	(266)	(304)
	(223)	104	175	91

The movements in deferred income tax during the Track Record Period are as follows:

Deferred income tax assets:

	<u>Provisions</u> <u>S\$'000</u>
At 1 October 2013	—
Credited/(charged) to profit or loss	<u>—</u>
At 30 September 2014	<u>—</u>
At 1 October 2014	—
Credited to profit or loss	<u>334</u>
At 30 September 2015	<u>334</u>
At 1 October 2015	334
Credited to profit or loss	<u>107</u>
At 30 September 2016	<u>441</u>
At 1 October 2016	441
Charged to profit or loss	<u>(46)</u>
At 30 June 2017	<u>395</u>

Deferred income tax liabilities:

	Accelerated tax depreciation
	<u>S\$'000</u>
At 1 October 2013	231
(Credited) to profit or loss	<u>(8)</u>
At 30 September 2014	<u>223</u>
At 1 October 2014	223
Charged to profit or loss	<u>7</u>
At 30 September 2015	<u>230</u>
At 1 October 2015	230
Charged to profit or loss	<u>36</u>
At 30 September 2016	<u>266</u>
At 1 October 2016	266
Charged to profit or loss	<u>38</u>
At 30 June 2017	<u>304</u>

The balance comprises tax on excess of net book value over tax written down value of qualifying property, plant and equipment.

At the end of 30 September 2014, 30 September 2015, 30 September 2016 and 30 June 2017, there are no deferred tax liabilities on investment in subsidiaries as they were in loss making position and have accumulated losses at 30 September 2014, 30 September 2015, 30 September 2016 and 30 June 2017.

21 TRADE AND OTHER RECEIVABLES

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Trade receivables:				
— Third parties	5,250	6,159	7,079	8,477
— Related parties	116	233	298	258
— Joint ventures	—	—	—	160
— Associates	4	4	—	—
	<u>5,370</u>	<u>6,396</u>	<u>7,377</u>	<u>8,895</u>
Accrued rental income	<u>745</u>	<u>1,406</u>	<u>1,197</u>	<u>982</u>
GST receivables	635	1,372	389	522
Deposits with external parties	2,661	4,784	3,836	3,536
Unpaid deposits from customers	701	382	209	—
Tax recoverable	16	84	90	—
Other receivables	<u>402</u>	<u>425</u>	<u>512</u>	<u>192</u>
	<u>4,415</u>	<u>7,047</u>	<u>5,036</u>	<u>4,250</u>
Less: impairment loss on trade receivables	(308)	(494)	(766)	(692)
Less: impairment loss on other receivables	<u>—</u>	<u>(9)</u>	<u>(15)</u>	<u>(16)</u>
	<u>(308)</u>	<u>(503)</u>	<u>(781)</u>	<u>(708)</u>
Net trade and other receivables	<u>10,222</u>	<u>14,346</u>	<u>12,829</u>	<u>13,419</u>

The accrued rental income relates to apportionment of the free rental period over the lease term.

Related parties comprise entities which are controlled or significantly influenced by the Group's key management personnel and their close family members.

Deposits with external parties comprise mainly security deposits placed with landlord of leased properties.

Other receivables comprise mainly warehouse storage fee and sundry receivables.

(a) Trade receivables

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
Trade receivables	5,370	6,396	7,377	8,895
Accrued rental income	745	1,406	1,197	982
Less: provision for impairment of trade receivables	(308)	(494)	(766)	(692)
	<u>5,807</u>	<u>7,308</u>	<u>7,808</u>	<u>9,185</u>

The carrying amounts of trade receivables approximate their fair values.

Trade receivables do not bear any effective interest rate.

All trade receivables are subject to credit risk exposure. However, the Group do not identify specific concentrations of credit risk with regards to trade receivables, as the amounts recognised resemble a large number of receivables from various customers. Impairment on trade receivables is made when certain debtors are identified to be irrecoverable. Impairment on trade receivables is made on specific debts for which the directors of the Group are of the opinion that debts are not recoverable.

The Group normally grants credit terms to its customers ranging from 0 to 90 days. The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
Current	1,987	2,078	2,085	2,875
1 to 30 days	1,789	2,170	2,508	2,260
31 to 60 days	497	658	552	1,200
61 to 90 days	158	245	159	533
91 to 180 days	451	640	856	514
181 days to 365 days	219	416	287	600
Over 365 days	269	189	930	913
	<u>5,370</u>	<u>6,396</u>	<u>7,377</u>	<u>8,895</u>

Aging analysis of trade receivables that are past due but not impaired, based on due date, is as follows:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
31 to 60 days	497	650	552	1,200
61 to 90 days	156	243	159	533
91 to 180 days	412	474	810	514
181 to 365 days	169	237	221	576
Over 365 days	52	50	276	245
	<u>1,286</u>	<u>1,654</u>	<u>2,018</u>	<u>3,068</u>

Based on historical default rates, the Group believes that no impairment is necessary in respect of trade receivables that are past due but not impaired. These receivables are mainly arising from a number of independent customers that have a good credit record with the Group.

Trade and other receivables that are past due and impaired:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Trade receivables				
31 to 60 days	—	8	—	—
61 to 90 days	2	2	—	—
91 to 180 days	39	166	46	—
181 days to 365 days	50	179	66	24
Over 365 days	217	139	654	668
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Gross Amount	308	494	766	692
Provision for impairment	(308)	(494)	(766)	(692)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Other receivables				
Gross Amount	—	9	15	16
Provision for impairment	—	(9)	(15)	(16)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Movements on the provision for impairment of trade and other receivables are as follows:

	<u>Year ended 30 September</u>			<u>Nine months ended</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>30 June 2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
At the beginning of the year/period	783	308	503	781
Add: Provision for impairment of trade and other receivables	110	391	318	33
Less: Provision written off	(69)	(154)	(40)	(101)
Less: Amount recovered	(516)	(42)	—	(5)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At the end of the year/period	<u>308</u>	<u>503</u>	<u>781</u>	<u>708</u>

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	<u>As at 30 September</u>			<u>As at</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>30 June 2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
S\$	9,121	12,111	10,594	10,797
MYR	—	53	50	48
THB	—	173	250	509
HKD	—	—	—	71
IDR	1,101	466	566	561
USD	—	1,543	1,369	1,433
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>10,222</u>	<u>14,346</u>	<u>12,829</u>	<u>13,419</u>

22 PREPAYMENTS

	<u>As at 30 September</u>			<u>As at</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>30 June 2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Prepaid operating expenses				
Current	985	3,212	3,652	2,824
Non-current	333	285	658	452
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>1,318</u>	<u>3,497</u>	<u>4,310</u>	<u>3,276</u>

The prepaid operating expenses relates to prepayment for rental, insurance and stamp duty.

23 INVENTORIES

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Work-in-progress	58	—	—	63
Finished goods	257	163	18	13
	315	163	18	76

The work-in-progress relates to an on-going construction project that had been completed in the financial year ended 30 September 2015.

The cost of inventories included in cost of sales amounted to S\$417,000, S\$543,000, S\$351,000, S\$260,000 and S\$129,000 for the year ended 30 September 2014, 2015, 2016 and for the nine months ended 30 June 2016 and 2017, respectively.

24 CASH AND BANK BALANCES

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Cash at banks	14,403	15,576	19,892	15,774
Cash on hand	14	28	34	44
	14,417	15,604	19,926	15,818

The Group's cash and cash equivalents are denominated in the following currencies:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
S\$	14,078	14,086	18,512	14,098
HKD	—	—	—	160
IDR	295	454	467	513
RMB	—	—	—	4
USD	44	919	881	895
THB	—	131	43	130
MYR	—	14	12	10
Myanmar kyat	—	—	11	8
	14,417	15,604	19,926	15,818

25 FIXED DEPOSITS

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
Fixed deposits				S\$'000
Mature within 3 months	962	9,994	971	1,922
Mature within one year	4,621	4,686	4,735	3,654
	<u>5,583</u>	<u>14,680</u>	<u>5,706</u>	<u>5,576</u>

Certain fixed deposits have been pledged to financial institutions for providing banker guarantees facilities as follows:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
Pledged fixed deposits				S\$'000
Mature within 3 months	962	967	971	1,922
Mature within one year	4,613	4,680	4,735	3,654
	<u>5,575</u>	<u>5,647</u>	<u>5,706</u>	<u>5,576</u>

Fixed deposits were denominated in Singapore dollar.

26 NON-CURRENT ASSET HELD FOR SALE

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
Non-current asset held for sale	—	—	—	19,500

The details of the Group's asset held for sale as at 30 June 2017 are as follows:

<u>Name of property</u>	<u>Description</u>	<u>Tenure</u>	<u>Area</u> <u>sq. metres</u>	<u>Attributable</u> <u>interest</u>
72 Eunus Avenue 7, Singapore	6-storey multiple-user light industrial building	30 years lease commencing from 1 January 2011	6,315.3	100%

On 8 December 2016, the Group entered into a put and call option agreement relating to the sale and purchase of the property for a sale price of S\$20,000,000 and is expected to be completed within 12 months. As a result, Management has reclassified S\$13,336,000 of investment property and S\$6,664,000 of property, plant and equipment to non-current asset held for sale on 8 December 2016.

Given that the Group was granted the relevant approvals and confirmations from the Housing Development Board of Singapore after the agreed timeframe, the counterparty has exercised its right to rescind the put and call option agreement on 20 July 2017.

Management assessed that the asset is available for immediate sale in its present condition and the asset is actively marketed for sale at a price that is reasonable in relation to its current fair value with a commitment by management to a plan to sell. Therefore, the asset was classified as non-current asset held for sale as at 30 June 2017.

As at 30 June 2017, the fair value of this property was S\$19,500,000. An impairment loss of S\$500,000 was recognised for the nine months ended 30 June 2017.

27 RESERVES

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Exchange fluctuation reserve	(729)	(1,015)	(744)	(793)
Asset valuation reserve	2,189	2,443	3,202	3,481
Other reserve	269	269	269	298
Merger reserve	—	(30,727)	(30,727)	(30,727)
Retained profits	28,998	33,221	46,507	45,923
	<u>30,727</u>	<u>4,191</u>	<u>18,507</u>	<u>18,182</u>
Represented by:				
Distributable	29,267	2,763	16,049	15,494
Non-distributable	<u>1,460</u>	<u>1,428</u>	<u>2,458</u>	<u>2,688</u>
	<u>30,727</u>	<u>4,191</u>	<u>18,507</u>	<u>18,182</u>

Reserve on disposal of non-controlling interests arises from the consideration received on disposal of part of a subsidiary.

Exchange fluctuation reserve arises from the translation of the financial statements of foreign entities whose functional currencies are different from the functional currency of the Company.

Asset revaluation reserve arises from surplus on revaluation of leasehold buildings as at the end of the reporting period.

Other reserve arises from (1) disposal of interest in a subsidiary without change in control (2) difference in market price of shares awarded to employees of the Group under the Employee Performance Share Plan ("PSP") and the market price of shares during the share buy-back exercise undertaken by the Group.

Merger reserve arises from the difference between the purchase consideration and the carrying value of the share capital acquired under the pooling-of-interests method of consolidation in the restructuring exercise undertaken with the intention of the Company's listing on the SGX-ST.

28 SHARE CAPITAL AND TREASURY SHARES

	No. of shares		Nominal Amount	
	Issue share capital	Treasury shares	Share capital	Treasury shares
			S\$'000	S\$'000
Balance as at 1 October 2013	1	—	*	—
Shares issued under subsidiary, LHN Group Pte. Ltd.	2,000,000	—	2,000	—
Balance as at 30 September 2014	<u>2,000,001</u>	<u>—</u>	<u>2,000</u>	<u>—</u>
Balance as at 1 October 2014	2,000,001	—	2,000	—
Adjustment arising from share swap agreement	(2,000,000)	—	(2,000)	—
Shares issued under share swap	999,999	—	32,726	—
	<u>1,000,000</u>	<u>—</u>	<u>32,726</u>	<u>—</u>
After share split	275,000,000	—	32,726	—
Pre-IPO new shares issued	11,220,000	—	2,000	—
Shares issued as sponsor fee	1,391,300	—	320	—
Shares issued for cash	73,913,000	—	17,000	—
Less: share issue costs	—	—	(803)	—
Balance as at 30 September 2015	<u>361,524,300</u>	<u>—</u>	<u>51,243</u>	<u>—</u>
Balance as at 1 October 2015	361,524,300	—	51,243	—
Shares issued under LHN Performance Share Plan ¹	332,900	—	44	—
Purchase of treasury shares	—	(1,853,000)	—	(245)
Balance as at 30 September 2016	<u>361,857,200</u>	<u>(1,853,000)</u>	<u>51,287</u>	<u>(245)</u>
Balance as at 1 October 2016	361,857,200	(1,853,000)	51,287	(245)
Shares awarded under LHN Performance Share Plan ²	—	441,200	—	59
Balance as at 30 June 2017	<u>361,857,200</u>	<u>(1,411,800)</u>	<u>51,287</u>	<u>(186)</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Balance as at 1 October 2015	361,524,300	—	51,243	—
Share issued under LHN Performance Share Plan	332,900	—	44	—
Balance as at 30 June 2016	<u>361,857,200</u>	<u>—</u>	<u>51,287</u>	<u>—</u>

¹ On 11 March 2016, 332,900 number of ordinary shares of the Company at a market price of S\$0.132 per ordinary share were granted pursuant to the Scheme ("PSP") to the employees of the Group. The shares awarded were vested on the same day.

² On 18 January 2017, 441,200 number of treasury shares of the Company at a market price of S\$0.198 per ordinary share were granted pursuant to the Scheme ("PSP") to the employees of the Group. The shares awarded were vested on the same day.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

During the year ended 30 September 2015, the Company entered into a pre-IPO redeemable convertible loan agreement with each of the pre-IPO investors. On conversion date, the pre-IPO redeemable convertible loan were automatically converted pursuant to the terms and conditions of the agreement into an aggregate of 11,220,000 new shares at a conversion price of S\$0.178.

Prior to the listing in Singapore Catalist board, the Company sub-divided 1,000,000 ordinary shares to 275,000,000 ordinary shares.

The Company acquired 1,853,000 of its own shares through purchase on the Singapore Stock Exchange during the year ended 30 September 2016. The total amount paid to acquire the shares was S\$245,000 and has been deducted from the shareholder's equity. The shares are held as "treasury shares".

29 COMPANY LEVEL STATEMENT OF CHANGES IN EQUITY

Company	Note	Retained profits S\$'000
2014		
As at 1 October 2013		
Effect on incorporation of Company		—
Loss and total comprehensive expense for the year		*
As at 30 September 2014		
		*
As at 1 October 2014		
Profit and total comprehensive income for the year		2,128
As at 30 September 2015		
		2,128
As at 1 October 2015		
Profit and total comprehensive income for the year		2,750
Dividends paid	34	(1,084)
Dividends paid in respect of the year ended 30 September 2016	34	(724)
As at 30 September 2016		
		3,070
As at 1 October 2016		
Dividends paid	34	(1,622)
Profit and total comprehensive income for the year		(2,833)
As at 30 June 2017		
		(1,385)
Company (unaudited)		
		Retained profits S\$'000
As at 1 October 2015		
Dividends paid	34	(1,808)
Profit and total comprehensive income for the year		770
As at 30 June 2016		
		1,090

* Amounts are less than S\$500

30 TRADE AND OTHER PAYABLES

(a) Current trade and other payables breakdown as follows:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Trade payables				
— Third parties	1,389	2,650	2,103	3,715
— Related parties	28	137	2	117
— A director of subsidiaries	12	9	—	—
Total trade payables (<i>Note ii</i>)	1,429	2,796	2,105	3,832
Other payables and accruals				
— Goods and services tax payables	613	662	546	565
— Non-trade amount owing to a subsidiary	4	—	—	—
— Amount owing to a director of subsidiaries (<i>Note i</i>)	1,105	166	26	14
— Provision for directors' fees	—	94	42	31
— Accruals	2,761	3,982	3,868	4,197
— Accrued rental expenses	551	2,392	3,384	4,102
— Rental deposits received from customers	12,083	13,928	14,244	12,352
— Rental deposits received from related parties	222	142	140	72
— Rental received in advance	836	658	442	390
— Advances received from customers	892	899	839	787
— Unpaid deposits	779	382	186	220
— Dividend payable	2,000	—	—	—
— Withholding tax	5	37	37	85
— Sundry creditors	317	328	531	168
— Other payables	165	—	7	18
Total trade and other payables	23,762	26,466	26,397	26,833
Less non-current portion: other payables	(165)	—	(7)	(18)
Total trade and other payables included in current liabilities	<u>23,597</u>	<u>26,466</u>	<u>26,390</u>	<u>26,815</u>

The carrying amounts of the Group's trade payables are denominated in Singapore dollars, United States dollars and Malaysian ringgit. The carrying amounts of trade payables approximate their fair values.

- (i) The non-trade amount owing to directors of subsidiaries represents advances which is unsecured and interest-free. It has no fixed terms of repayment and is repayable only when the cash flow of the Group permits.

- (ii) As at 30 September 2014, 2015, 2016 and 30 June 2017, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
0 to 30 days	770	1,381	1,438	3,330
31 to 60 days	307	605	288	390
61 to 90 days	11	362	75	10
Over 90 days	341	448	304	102
	<u>1,429</u>	<u>2,796</u>	<u>2,105</u>	<u>3,832</u>

31 PROVISION FOR REINSTATEMENT COSTS

Provision for reinstatement costs were recognised for the expected costs associated with restoring the leased industrial buildings by certain subsidiaries upon expiry of leases from landlords to its original condition based on the requirements of the lease contract. Provision for reinstatement costs is the present value of the estimated costs of dismantlement, removal and restoration to be incurred for the leased industrial buildings. The provision is based on estimates made from historical data associated with reinstatement works on contracts of similar nature using technology and materials that are currently available.

The total expected costs to be incurred is S\$356,000 and S\$352,000 for the financial period/year ended 30 June 2017 and 30 September 2016. There is no provision for reinstatement costs for financial year ended 30 September 2014 and 2015.

Movement of the reinstatement costs are as follows:

	Year ended 30 September 2016	Nine months ended 30 June 2017
	S\$'000	S\$'000
Balance at beginning of the year/period	—	352
Provision for the year	350	4
Amortisation of discount	2	—
Balance at end of year/period	<u>352</u>	<u>356</u>

32 FINANCE LEASE LIABILITIES

The Group leases certain plant and machinery from non-related parties under finance lease. The lease agreements do not have renewal clause but provide the Group with options to purchase the leased asset at nominal value at the end of the lease term. The obligations under finance lease are secured by the underlying assets of certain plant and machinery, logistics equipment and motor vehicles, personal guarantees provided by a director of a subsidiary and corporate guarantees provided by the Group.

The rights to the leased assets are reverted to the lessors in the event of default of the lease liabilities by the Group.

The amount payable within one year is included under current liabilities whilst that payable after one year is included under non-current liabilities.

The obligations under finance lease are denominated in Singapore dollars.

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Gross finance lease liabilities — minimum lease payments				
No later than 1 year	1,418	1,618	1,447	1,663
Later than 1 year and no later than 2 years	1,427	1,507	1,240	1,323
Later than 2 years and no later than 5 years	<u>1,527</u>	<u>851</u>	<u>1,265</u>	<u>1,466</u>
	4,372	3,976	3,952	4,452
Future finance charges on finance leases	<u>(171)</u>	<u>(148)</u>	<u>(188)</u>	<u>(225)</u>
Present value of finance lease liabilities	<u>4,201</u>	<u>3,828</u>	<u>3,764</u>	<u>4,227</u>
The present value of finance lease liabilities is as follows:				
No later than 1 year	1,331	1,534	1,363	1,562
Later than 1 year and no later than 2 years	591	755	642	1,256
Later than 2 years and no later than 5 years	<u>2,279</u>	<u>1,539</u>	<u>1,759</u>	<u>1,409</u>
	<u>4,201</u>	<u>3,828</u>	<u>3,764</u>	<u>4,227</u>

Effective interest rates

Effective interest rates on the finance leases bears interest between 1.28% and 3.60% per annum during the period/years ended 30 June 2017 (2016: between 1.87% and 3.01%, 2015: between 2.29% and 3.01%, 2014: between 1.99% and 5.00%).

Carrying amounts and fair values

The carrying amounts of current finance lease liabilities approximate their fair value. The carrying amounts and fair values of non-current finance lease liabilities as at 30 September 2014, 2015 and 2016 and 30 June 2017 are as follows:

	As at 30 September 2014	
	Carrying Amount	Fair Value
	S\$'000	S\$'000
Between one and five years	<u>2,870</u>	<u>2,870</u>
	As at 30 September 2015	
	Carrying Amount	Fair Value
	S\$'000	S\$'000
Between one and five years	<u>2,294</u>	<u>2,100</u>

	<u>As at 30 September 2016</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Between one and five years	<u>2,401</u>	<u>2,347</u>
	<u>As at 30 June 2017</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Between one and five years	<u>2,665</u>	<u>2,665</u>

The fair value is determined from the discounted cash flow analysis, using a discounted rate based upon the borrowing rate of an equivalent instrument which the directors expect would be available to the Company at the end of the reporting period. No adjustment has been made to fair values as the differences between the carrying amount and fair values are not significant to the Company. The fair values are within Level 2 of the fair values hierarchy.

33 BORROWINGS

	<u>As at 30 September</u>			<u>As at 30 June 2017</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Non-current, secured				
Bank borrowings repayable later than 1 year and no later than 2 years	1,623	2,852	3,813	1,913
Bank borrowings repayable later than 2 years and no later than 5 years	1,699	2,953	3,943	5,804
Bank borrowings repayable later than 5 years	<u>5,924</u>	<u>12,249</u>	<u>10,431</u>	<u>9,138</u>
	<u>9,246</u>	<u>18,054</u>	<u>18,187</u>	<u>16,855</u>
Current, secured				
Bank borrowings repayable no later than 1 year	<u>824</u>	<u>1,420</u>	<u>1,817</u>	<u>3,897</u>
Total borrowings	<u>10,070</u>	<u>19,474</u>	<u>20,004</u>	<u>20,752</u>

LHN Group has two banking facilities with financial institutions. Bank borrowings are denominated in Singapore Dollar.

- (a) The first banking facility comprises two loans of S\$12,280,000 granted to a subsidiary by a bank.

The first loan of S\$10,280,000 is repayable in 180 monthly instalments of S\$64,000 commencing August 2015 and the second loan of S\$2,000,000 is repayable in 60 monthly instalments commencing January 2017.

The bank loans are secured by:

- (i) Legal mortgage of leasehold property at 100 Eunos Avenue 7;
- (ii) Corporate guarantee by LHN Group Pte. Ltd.; and
- (iii) Assignment of rental proceeds of the mortgaged property.

Interest is charged between 1.45% and 2.95% (2015: between 1.45% and 2.95%) per annum. The interest rate is repriced monthly.

- (b) The second banking facility comprises two loans of S\$10,300,000 granted to a subsidiary by a bank. The first loan of S\$7,300,000 is repayable in 180 monthly instalments commencing 2 November 2012 and the second loan of S\$3,000,000 is repayable in 96 monthly instalments commencing 1 August 2014.

The bank loans are secured by:

- (i) Legal mortgage of leasehold property at 72 Eunos Avenue 7;
- (ii) Corporate guarantees by the Company and LHN Group Pte. Ltd.; and
- (iii) Assignment of rental proceeds of the mortgaged property.

Interest is charged between 2.90% and 4.75% (2015: between 1.45% and 4.25%) per annum. The interest rate is repriced monthly. The amount repayable within one year is included under current liabilities whilst the amount repayable after one year is included under non-current liabilities.

The table below analyses the maturity profile of the Group's borrowings based on contractual undiscounted cash flows:

	<u>Carrying amount</u>	<u>Contractual cash flows</u>
	S\$'000	S\$'000
As at 30 September 2014		
Less than one year	824	1,104
Between one to two years	1,623	2,278
Between two to five years	1,699	2,243
More than five years	5,924	6,837
	<u>9,246</u>	<u>11,358</u>
	<u><u>10,070</u></u>	<u><u>12,462</u></u>
As at 30 September 2015		
Less than one year	1,420	1,911
Between one to two years	2,852	3,900
Between two to five years	2,953	3,904
More than five years	12,249	14,086
	<u>18,054</u>	<u>21,890</u>
	<u><u>19,474</u></u>	<u><u>23,801</u></u>
As at 30 September 2016		
Less than one year	1,817	2,280
Between one to two years	3,813	4,803
Between two to five years	3,943	4,689
More than five years	10,431	11,657
	<u>18,187</u>	<u>21,149</u>
	<u><u>20,004</u></u>	<u><u>23,429</u></u>
As at 30 June 2017		
Less than one year	3,897	2,414
Between one to two years	1,913	2,396
Between two to five years	5,804	6,920
More than five years	9,138	10,165
	<u>16,855</u>	<u>19,481</u>
	<u><u>20,752</u></u>	<u><u>21,895</u></u>

34 DIVIDENDS

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(unaudited)</i>	
<i>Ordinary dividends</i>					
Final dividend paid in respect of the previous financial year of 0.45 cents (2016: 0.3 cents, 2015: nil cents, 2014: nil cents) per share	—	—	1,084	1,084	1,622
Interim dividend paid in respect of the current financial year of nil cents (2016: 0.2 cents, 2015: nil cents, 2014: S\$1) per share	2,000	—	724	724	—

35 NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of cash used in purchase of property, plant and equipment

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(unaudited)</i>	
Total property, plant and equipment acquired during the year/period	5,947	12,255	6,350	6,209	5,736
Less: acquired by means of hire-purchase	(1,114)	(1,049)	(1,049)	(769)	(1,655)
Less: capitalised of reinstatement costs	—	—	(350)	—	—
Less: Payable of property, plant and equipment	—	(535)	(139)	—	(504)
Cash used in purchase of property, plant and equipment during the year/period	4,833	10,671	4,812	5,440	3,577

(b) Proceeds from disposal of property, plant and equipment

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000 <i>(unaudited)</i>	S\$'000
Net book amount	612	70	248	246	5
(Loss)/gain on disposal of property, plant and equipment	<u>(80)</u>	<u>26</u>	<u>27</u>	<u>14</u>	<u>90</u>
Proceeds from disposal of property, plant and equipment	<u>532</u>	<u>96</u>	<u>275</u>	<u>260</u>	<u>95</u>

(c) Acquisition of a subsidiary

The Group acquired a subsidiary, HLA Holdings Pte. Ltd on 1 October 2014. The carrying value of assets acquired and liabilities assumed were as follows:

	<u>1 October 2014</u> S\$'000
Net assets/(liabilities) acquired	
Trade and other receivables	125
Cash and bank balances	639
Trade and other payables	(681)
Current tax payable	<u>(3)</u>
Identifiable net assets acquired	80
Less: non-controlling interests of 40%	<u>(32)</u>
Purchase consideration	48
Less: cash and cash equivalents of a subsidiary acquired	<u>(639)</u>
Cash inflow on acquisition	<u><u>(591)</u></u>

(d) Disposal of interest in a subsidiary

During the year ended 30 September 2014, the Group disposed of a subsidiary. The carrying value of assets disposed of and liabilities discharged were as follows:

	As at 1 October 2013
	————— S\$'000
Net assets/(liabilities) disposed of:	
Property, plant and equipment	68
Trade and other receivables	1,430
Cash and bank balances	720
Trade and other payables	(2,106)
Current tax payable	————— (12)
Identifiable net assets disposed of	————— 100
Sales proceeds received	100
Less: cash and cash equivalent of subsidiary disposed of	————— (720)
Cash outflow on disposal	————— (620)
The gain on disposal of a subsidiary is computed as follows:	
Sales proceeds received	100
Less: Identifiable net assets disposed of	————— (100)
Gain on disposal of a subsidiary	————— ————— —

During the year ended 30 September 2016, the Group disposed of a subsidiary, Maple Creek Global Inc., whose functional currency was in Singapore Dollars. The carrying value of assets disposed of and liabilities discharged were as follows:

	30 September 2016
	S\$'000
Net assets/(liabilities) disposed of:	
Cash and bank balances	179
Identifiable net assets	<u>179</u>
Sales proceeds	179
Less: cash and cash equivalents of subsidiary disposed of	<u>(179)</u>
Cash outflow on disposal	<u>—</u>
The gain on disposal of a subsidiary is computed as follows:	
Sales proceeds received	179
Less: Identifiable net assets disposed of	<u>(179)</u>
Gain on disposal of a subsidiary	<u>—</u>

36 OPERATING LEASE COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associated companies (Note 17) and investment in a joint venture (Note 18), are as follows:

	As at 30 September			As at 30 June 2017
	2014	2015	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Property, plant and equipment	—	—	1,226	552
	<u>—</u>	<u>—</u>	<u>1,226</u>	<u>552</u>

(b) Operating lease commitments — where the Group is a lessee

The Group leases property, plant and equipment from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Not later than one year	44,777	48,487	52,893	49,808
Between one and five years	56,249	67,880	84,323	95,616
Later than five years	11,177	24,891	13,749	3,938
	<u>112,203</u>	<u>141,258</u>	<u>150,965</u>	<u>149,362</u>

(c) **Operating lease commitments — where the Group is a lessor**

The Group and Company lease out investment properties to non-related parties under non-cancellable operating leases. The lessees are required to pay either absolute fixed annual increase to the lease payments or contingent rents computed based on their sales achieved during the lease period.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Not later than one year	52,398	56,963	46,416	39,816
Between one and five years	32,489	32,553	26,877	26,995
Later than five years	7,590	1,699	699	—
	<u>92,477</u>	<u>91,215</u>	<u>73,992</u>	<u>66,811</u>

(d) **Corporate guarantees**

The Group has provided corporate guarantees in favour of financial institutions in respect of facilities granted to certain associated companies and joint ventures amounting to nil, nil, S\$26,400,000, S\$30,612,000 as at 30 September 2014, 2015, 2016, and 30 June 2017 respectively. As at 30 September 2014, 2015, 2016, and 30 June 2017, the amount of guaranteed loans drawn down by associated companies and joint ventures amounted to nil, nil, S\$27,527,000 and S\$27,997,000.

The Group has determined that the corporate guarantees had insignificant fair values as at 30 September 2014, 2015, 2016 and 30 June 2017.

37 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the historical financial information, the following is a summary of significant related party transactions which, in the opinion of the directors, are entered into the ordinary course of business between the Group and its related parties, and the balances arising from related party transactions.

Name of the related party	Relationship with the Group
Kelvin Lim	Executive director and shareholder
Jess Lim	Executive director and shareholder
Pang Joo Siang	Spouse of Jess Lim, the Executive Director of the Company
Work Plus Store (AMK) Pte Ltd	A joint venture
Metropolitan Parking Pte Ltd	A joint venture
Four Star Industries Pte Ltd	A joint venture
Nopest Pte Ltd	An associate
Hean Nerng Group Pte. Ltd	A controlling shareholder of the Company
Master Care Services Pte. Ltd.	A non-controlling shareholder of a subsidiary of the Group
LHN Culinary Group	Related group of companies controlled by previous director and a related person to the Executive Director of the Company (<i>Note 1</i>)
PJS Companies	Related group of companies controlled by Pang Joo Siang (<i>Note 2</i>)
Hean Nerng Realty Pte Ltd	A company with shareholders related to the Group
Shanghai Great Ocean Industrial Development (S) Pte. Ltd.	A company with a shareholder related to the Group
HN Management Pte. Ltd.	A company with a shareholder related to the Group
9 Plus Café Pte Ltd	The owner is the brother-in-law of an Executive Director of the Company
RHT Law	The co-founder is an independent director of the Company
Sin Siong Huat Pte Ltd	A company with a shareholder related to the Group

Note 1: LHN Culinary Group comprises with LHN Culinary Concepts Pte. Ltd., Alkaff Mansion Ristorante Pte. Ltd. and Parco Caffè Holdings Pte. Ltd.

Note 2: PJS Companies comprises Café @ Phoenix Pte. Ltd. and DJ Culinary Concepts Pte. Ltd.

(a) Transactions

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(unaudited)</i>	
Service income from:					
Work Plus Store (AMK) Pte Ltd	—	—	106	1	241
Metropolitan Parking Pte Ltd	—	—	25	—	144
Four Star Industries Pte Ltd	—	—	—	—	119
Nopest Pte Ltd	47	46	46	35	35
Master Care Services Pte Ltd	259	258	258	193	207
LHN Culinary Group	138	81	71	64	3
HN Management Pte Ltd	634	—	—	—	—
PJS Companies	695	717	506	380	336
Shanghai Great Ocean Industrial Development (S) Pte Ltd	171	—	—	—	—
9 Plus Café Pte Ltd	190	190	185	139	133
Auxiliary services from:					
Nopest Pte Ltd	233	203	197	147	132
Sin Siong Huat Pte Ltd	478	—	—	—	—
RHT Law	9	37	—	—	18
Loan to:					
Work Plus Store (AMK) Pte Ltd	—	—	4,005	2,800	—
Metropolitan Parking Pte Ltd	—	—	2,997	—	450
Four Star Industries Pte Ltd	—	—	—	—	1,725
Repayment of loan from:					
Work Plus Store (AMK) Pte Ltd	—	—	—	—	430
Other transactions with:					
Work Plus Store (AMK) Pte Ltd	—	—	25	—	—
Metropolitan Parking Pte Ltd	—	—	107	—	781
LHN Culinary Group	514	94	43	38	5
HN Management Pte Ltd	266	—	—	—	—
PJS Companies	14	7	39	3	2
Hean Nerng Realty Pte Ltd	—	500	—	2	1
Four Star Industries Pte Ltd	—	—	—	—	6
Kelvin Lim	23	—	—	—	—
Management fee income from:					
HN Management Pte Ltd	2,348	—	—	—	—

Notes:

- i Sales and purchases are made at prices mutually agreed by the relevant parties
- ii Terms of services are mutually agreed between the relevant parties
- iii The purchase of property, plant and equipment are made at fair market value of the date of transfer.

(b) Year/period-end balances with related parties

	As at 30 September			As at
	2014	2015	2016	30 June
	S\$'000	S\$'000	S\$'000	2017
				S\$'000
Amounts due to related parties (Trade)				
Nopest Pte Ltd	17	—	—	25
RHT Law	—	16	—	—
Metropolitan Parking Pte Ltd	—	—	—	90
Others	11	121	2	2
Total	<u>28</u>	<u>137</u>	<u>2</u>	<u>117</u>
Amounts due to related parties (Non-trade)				
PJS Companies	141	142	140	72
Master Care Services Pte Ltd	81	—	—	—
Total	<u>222</u>	<u>142</u>	<u>140</u>	<u>72</u>
Amounts due from related parties (Trade)				
PJS Companies	102	211	256	139
LHN Culinary Group	9	22	42	—
Work Plus Store (AMK) Pte Ltd	—	—	—	167
Four Star Industries Pte Ltd	—	—	—	18
Metropolitan Parking Pte Ltd	—	—	—	94
Others	9	4	—	—
Total	<u>120</u>	<u>237</u>	<u>298</u>	<u>418</u>
Amounts due from related parties (Non-trade)				
Loan to Work Plus Store (AMK) Pte Ltd	—	—	4,005	3,575
Loan to Metropolitan Parking Pte Ltd	—	—	2,997	3,447
Loan to Four Star Industries Pte Ltd	—	—	—	1,725
Total	<u>—</u>	<u>—</u>	<u>7,002</u>	<u>8,747</u>

The amounts due to related parties (Trade), amounts due to related parties (Non-trade) and amounts due from related parties (Trade) were unsecured, interest-free and repayable on demand.

The amounts due from related parties (Non-trade) were unsecured and interest-bearing at Nil, Nil, 3%, and 3% as at 30 September 2014, 30 September 2015, 30 September 2016 and 30 June 2017 respectively. They had no fixed terms of payment, repayable on demand.

The carrying amounts approximated their fair values and were dominated in S\$.

(c) Key management compensation

Key management includes Executive Directors, Independent Non-executive Directors, Chief Financial Officer (“CFO”) and General Manager. The compensation paid or payable to key management for employee services is shown below:

	Year ended 30 September			Nine months ended 30 June	
	2014	2015	2016	2016	2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				<i>(unaudited)</i>	
Salaries and other short-term employee benefits	1,719	2,170	2,778	1,488	1,678

Other related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2017 and up to the date of this report. Save as disclosed in this report, no dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2017.

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
OUR GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2017**

The following is our preliminary financial information for the year ended 30 September 2017 (the “2017 Preliminary Financial Information”) together with a management’s discussion and analysis of our financial condition and results of operations. The 2017 Preliminary Financial Information has been prepared in accordance with IFRS and has not been audited. You are advised that the 2017 Preliminary Financial Information set out in this appendix is subject to change.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND TOTAL COMPREHENSIVE INCOME

		<u>Year ended 30 September</u>	
		<u>2017</u>	<u>2016</u>
	<i>Note</i>	<u>S\$’000</u>	<u>S\$’000</u>
		<i>(unaudited)</i>	<i>(audited)</i>
Revenue	5	106,253	104,705
Cost of Sales	6	<u>(80,502)</u>	<u>(77,208)</u>
Gross Profit		25,751	27,497
Other Income		2,544	3,017
Other losses- net		(224)	(318)
Selling and distribution expenses	6	(1,298)	(1,804)
Administrative expenses	6	(24,438)	(20,351)
Finance cost- net		(636)	(600)
Share of results of associates and joint ventures, net of tax		3,384	6,716
Impairment loss on non-current asset classified as held for sale		(500)	—
Fair value (loss)/gain on investment properties		<u>(1,439)</u>	<u>2,071</u>
Profit before income tax		3,144	16,228
Income tax expense	7	<u>(377)</u>	<u>(1,127)</u>
Profit for the year		<u>2,767</u>	<u>15,101</u>
Profit attributable to:			
Equity holders of the Company		2,312	15,094
Non-controlling interests		<u>455</u>	<u>7</u>
		<u>2,767</u>	<u>15,101</u>

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
OUR GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2017**

		<u>Year ended 30 September</u>	
		<u>2017</u>	<u>2016</u>
	<i>Note</i>	<u>S\$'000</u>	<u>S\$'000</u>
		<i>(unaudited)</i>	<i>(audited)</i>
Other comprehensive (loss)/income			
<i>Item that will be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation		(94)	271
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Revaluation gains on leasehold building		137	759
Share of other comprehensive income of joint venture		<u>237</u>	<u>—</u>
		<u>280</u>	<u>1,030</u>
Total comprehensive income for the year		<u><u>3,047</u></u>	<u><u>16,131</u></u>
Total comprehensive income for the year			
Equity holders of the Company		2,594	16,124
Non-controlling interests		<u>453</u>	<u>7</u>
Total comprehensive income for the year		<u><u>3,047</u></u>	<u><u>16,131</u></u>
Earnings per share for profit attributable to equity holders of the Company			
Basic and diluted (S\$ cents)	9	<u><u>0.64</u></u>	<u><u>4.18</u></u>

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
OUR GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2017**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Note</i>	As at 30 September	
		2017	2016
		S\$'000 <i>(unaudited)</i>	S\$'000 <i>(audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment		21,794	26,453
Investment properties		43,352	37,472
Available for sales financial assets		107	—
Investment in associates		132	111
Investment in joint ventures		11,344	7,294
Deferred tax assets		651	441
Long-term prepayments		<u>536</u>	<u>658</u>
		----- <u>77,916</u>	----- <u>72,429</u>
Current assets			
Inventories		33	18
Trade and other receivables	<i>10</i>	13,212	12,829
Loans to joint ventures		10,492	7,002
Prepayments		3,131	3,652
Cash and bank balances		13,262	19,926
Fixed deposits		<u>6,270</u>	<u>5,706</u>
		<u>46,400</u>	<u>49,133</u>
TOTAL ASSETS		<u>124,316</u>	<u>121,562</u>
EQUITY			
Capital and Reserves			
Share capital		51,287	51,287
Treasury shares		(186)	(245)
Reserves		<u>19,508</u>	<u>18,507</u>
		70,609	69,549
Non-controlling interests		<u>333</u>	<u>(120)</u>
TOTAL EQUITY		<u>70,942</u>	<u>69,429</u>

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
OUR GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	<i>Note</i>	As at 30 September	
		2017	2016
		S\$'000 <i>(unaudited)</i>	S\$'000 <i>(audited)</i>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		222	266
Provision for reinstatement costs		204	352
Other payables	<i>11</i>	18	7
Finance lease liabilities		3,417	2,401
Bank borrowings		<u>16,380</u>	<u>18,187</u>
		<u>20,241</u>	<u>21,213</u>
Current liabilities			
Trade and other payables	<i>11</i>	25,054	26,390
Provision for reinstatement costs		169	—
Finance lease liabilities		1,750	1,363
Bank borrowings		4,894	1,817
Current tax payable		<u>1,266</u>	<u>1,350</u>
		<u>33,133</u>	<u>30,920</u>
TOTAL LIABILITIES		<u>53,374</u>	<u>52,133</u>
TOTAL EQUITY AND LIABILITIES		<u>124,316</u>	<u>121,562</u>

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
OUR GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2017**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

GROUP (audited)	Attributable to equity owners of the Company										
	Share capital	Treasury shares	Retained profits	Merger reserves	Capital reserves	Other reserve	Asset revaluation reserves	Exchange translation reserves	Total attributable to equity holders of the Company		Total equity
									Non-controlling interests		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01/10/15	51,243	—	33,221	(30,727)	—	269	2,443	(1,015)	55,434	(127)	55,307
Shares issued under LHN											
Performance Share Plan	44	—	—	—	—	—	—	—	44	—	44
Purchase of treasury shares	—	(245)	—	—	—	—	—	—	(245)	—	(245)
Dividends paid in respect of financial year ended 30 September 2015	—	—	(1,084)	—	—	—	—	—	(1,084)	—	(1,084)
Dividends paid in respect of financial year ended 30 September 2016	—	—	(724)	—	—	—	—	—	(724)	—	(724)
Profit for the year	—	—	15,094	—	—	—	—	—	15,094	7	15,101
Other comprehensive income	—	—	—	—	—	—	759	271	1,030	—	1,030
Total comprehensive income for the year	—	—	15,094	—	—	—	759	271	16,124	7	16,131
Balance at 30/09/16	51,287	(245)	46,507	(30,727)	—	269	3,202	(744)	69,549	(120)	69,429

GROUP (unaudited)	Attributable to equity owners of the Company										
	Share capital	Treasury shares	Retained profits	Merger reserves	Capital reserves	Other reserve	Asset revaluation reserves	Exchange translation reserves	Total attributable to equity holders of the Company		Total equity
									Non-controlling interests		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01/10/16	51,287	(245)	46,507	(30,727)	—	269	3,202	(744)	69,549	(120)	69,429
Shares issued under LHN											
Performance Share Plan	—	59	—	—	29	—	—	—	88	—	88
Dividends paid in respect of financial year ended 30 September 2016	—	—	(1,622)	—	—	—	—	—	(1,622)	—	(1,622)
Profit for the year	—	—	2,312	—	—	—	—	—	2,312	455	2,767
Other comprehensive income/(loss)	—	—	—	—	—	—	374	(92)	282	(2)	280
Total comprehensive income/(loss) for the year	—	—	2,312	—	—	—	374	(92)	2,594	453	3,047
Balance at 30/09/17	51,287	(186)	47,197	(30,727)	29	269	3,576	(836)	70,609	333	70,942

NOTES TO THE PRELIMINARY FINANCIAL INFORMATION

1. GENERAL

LHN Limited (‘the Company’) was incorporated on 10 July 2014 in Singapore under the Companies Act as an investment holding private limited company under the name of ‘LHN Pte. Ltd.’. The Company’s registration number is 201420225D. The Company was converted into a public company and renamed as ‘LHN Limited’ on 16 March 2015. The address of its registered office is at 10 Raeburn Park #02-18, Singapore 088702.

The Company has its primary listing on the Catalist of the Singapore Exchange Securities Trading Limited (the ‘SGXST’) on 13 April 2015.

The Company is an investment holding company. The Company and its subsidiaries (the ‘Group’) are principally engaged in (i) space resource management services; (ii) facilities management services; and (iii) logistics services.

This preliminary financial information is presented in Singapore Dollars and all values are rounded to the nearest thousand (‘S\$’000’), unless otherwise stated.

2. BASIS OF PREPARATION

The Financial Information of the Group has been prepared in accordance with the International Financial Reporting Standards (‘IFRSs’) and disclosure requirements of the applicable disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The Financial Information have been prepared under the historical cost convention, as modified by the revaluation of investment properties and leasehold buildings and available for sales financial assets, which are carried at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. For details on the areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Information, please see Note 4 in ‘Appendix I-Accountant’s Report’.

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
OUR GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2017**

3. ACCOUNTING POLICIES

(a) Adoption of improvements, new and amendments to IFRSs — effective 1 October 2016

The Group has adopted the following improvements, new and amendments to existing standards which are mandatory for the financial year beginning on or after 1 October 2016.

The adoption of these new or amended IFRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

IAS 27 (amendment)	Separate financial statements (Equity method in separate financial statements)
IAS 16 (amendment)	Property plant and equipment (Clarification of acceptable methods of depreciation and amortisation)
IAS 16 (amendment)	Property plant and equipment
IAS 1 (amendment)	Presentation of financial statements (Disclosure initiative)
IFRS 10 (amendment)	Consolidated financial statements
IFRS 12 (amendment)	Disclosure of Interests in other entities
IAS 28 (amendment)	Investments in associates and joint ventures (Investment entities: Applying the consolidation exception) (Editorial corrections in June 2015)
IFRS 11 (amendment)	Joint Arrangements (Accounting for acquisitions of interests in joint operations)
IFRS 5	Non-current assets held for sale and discontinued operations (Methods of disposal)
IFRS 7	Financial instruments: Disclosures (Servicing contracts and interim financial statements)

The adoption of the above IFRSs did not have any significant financial impact on the consolidated financial statements.

(b) Impact of new standards and amendments to standards have been published but not yet adopted by the Group

		Effective for accounting periods beginning on or after	<i>Note</i>
IAS 28 and IFRS 10 (Amendment)	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	A date to be determined by the IASB	
IFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018	
IFRS 4 (Amendment)	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018	
IAS 7 (Amendment)	Statement of cash flows	1 January 2017	<i>i</i>
IFRS 9	Financial Instruments	1 January 2018	<i>ii</i>
IFRS 15	Revenue from Contracts with Customers	1 January 2018	<i>iii</i>
IFRS 15 (Amendment)	Clarifications to IFRS 15	1 January 2018	
IFRS 16	Leases	1 January 2019	<i>iv</i>
IFRS 17	Insurance Contracts	1 January 2021	<i>v</i>
IAS 40 (Amendment)	Investment Properties	1 January 2018	<i>vi</i>
IAS 12	Income taxes (Recognition of deferred tax assets for unrealised losses)	1 January 2017	

Note i: An amendment to IAS 7 introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB’s Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. The amendment is effective from 1 January 2017. The Group is in the process of making an assessment on the impact of this new standard and does not anticipate the implementation will result in any significant impact on the Group’s financial positions and results of operations.

Note ii: IFRS 9 “Financial instruments” replaces the whole of IAS 39. IFRS 9 has three financial asset classification categories for investments in debt instruments: amortised cost, fair value through other comprehensive income (“OCI”) and fair value through profit or loss. Classification is driven by the entity’s business model for managing the debt instruments and their contractual cash flow characteristics. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in OCI, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability’s own credit risk are recognised in OCI, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. There is no subsequent recycling of the amounts in OCI to profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss.

IFRS 9 also introduces a new model for the recognition of impairment losses — the expected credit losses (ECL) model, which constitutes a change from the incurred loss model in IAS 39. IFRS 9 contains a “three stage” approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

For the year ended 30 September 2017, most of the Group’s financial assets and financial liabilities were carried at amortised costs without significant impairment on the former. The implementation of IFRS 9 is not expected to result in any significant impact on the Group’s financial position and results of operations.

Note iii: IFRS 15 “Revenue from Contracts with Customers” — This new standard replaces the previous revenue standards: IAS 18 “Revenue” and IAS 11 “Construction Contracts”, and the related Interpretations on revenue recognition. IFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) Identify the contract(s) with customer; (2) Identify separate performance obligations in a contract; (3) Determine the transaction price; (4) Allocate transaction price to performance obligations; and (5) Recognise revenue when performance obligation is satisfied. The core principle is that the Group should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an “earnings processes” to an “asset liability” approach based on transfer of control. IFRS 15 provides specific guidance on capitalisation of contract cost, license arrangements and principal versus agent considerations. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. The Group is in the process of making an assessment on the impact of this new standard. Currently, management does not anticipate any significant impact on the Group’s financial positions and results of operations upon adopting this new standard.

Note iv: IFRS 16 “Leases” — The Group is a lessee of its various properties which are currently classified as operating leases. The Group’s current accounting policy for such leases is set out in Note 2.23. As at 30 September 2017, the Group has aggregate minimum lease payments, which are not reflected in the consolidated statements of financial position, under non-cancellable operating lease of S\$142,746,000.

IFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to account for certain leases outside the consolidated statements of financial position. Instead, all long-term leases must be recognised in the consolidated statements of financial position in the form of assets (for the rights of use) and lease liabilities (for the payment obligations), both of which would carry initially at the discounted present value of the future operating lease commitments. Short-term leases with a lease term of twelve months or less and leases of low-value assets are exempt from such reporting obligations.

The new standard will therefore result in an increase in right-to-use asset and an increase in lease liability in the consolidated statement of financial position. In the consolidated statements of profit or loss, lease will be recognised in the future as depreciation and will no longer be recorded as rental expenses. Interest expense on the lease liability will be presented separately from depreciation under finance costs. The combination of a straight-line depreciation of the right-to-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial year of the lease, and decreasing expenses during the latter part of the lease term on a lease by lease basis.

Nevertheless, it is expected that there will be no material impact on the total expenses to be recognised by us over the entire lease period and our total net profit over the lease period is not expected to be materially affected. The adoption of IFRS 16 would not affect our total cash flows in respect of the leases. We are continuing to assess the specific magnitude of the adoption of IFRS 16 to the relevant financial statement areas and will conduct a more detailed assessment on the impact as information become available closer to the planned initial date of the adoption of 1 October 2019.

Note v: IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this new standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. The Group is in the process of making an assessment on the impact of this new standard and does not anticipate the implementation will result in any significant impact on the Group's financial positions and results of operations.

Note vi: Under the amendments in IAS 40 Transfers of Investment Property has been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The amendments are effective on 1 January 2018. However, if finalised, earlier adoption is permitted. The Group is in the process of making an assessment on the impact of this new standard. Currently, management does not anticipate any significant impact on the Group's financial positions and results of operations upon adopting this new standard.

4. SEGMENT INFORMATION

The Group Managing Director monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment results which in certain respects, set out below, are presented differently from operating profit or loss in the consolidated financial statements of the Group. The Group's reportable operating segments are as follows:

1. Industrial group
2. Commercial group
3. Residential group
4. Logistics group
5. Facilities management group

Industrial, Commercial and Residential groups form the space optimisation business.

The Group does not have a single customer whose revenue reports more than 5% of the Group's total revenue. Group taxation is managed on a group basis and is not allocated to operating segments.

Allocation basis and transfer pricing

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax expense and non-controlling interests.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties, if any.

Sales

Sales between segments are carried out at market terms. The revenue from external parties reported to the Group Managing Director is measured in a manner consistent with that in the statement of comprehensive income.

The Group Managing Director assesses the performance of the operating segments based on the segment result, being a measure of earnings before tax, interest, finance costs, share of results of associates and joint ventures and fair value gain or loss on investment properties from continuing operations.

Segment assets and liabilities

The amounts reported to the Group Managing Director with respect to the total assets and liabilities are measured in a manner consistent with that of the financial information. Segment assets and liabilities include, investment properties, property, plant and equipment, bank borrowings and finance lease liabilities, which are directly attributable to a segment as well as items that can be allocated on a reasonable basis.

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
OUR GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2017**

Segment breakdown for the year ended 30 September 2017 are as follows:

(Unaudited)	<u>Industrial</u>	<u>Commercial</u>	<u>Residential</u>	<u>Logistics</u>	<u>Facilities management</u>	<u>Others and eliminations</u>	<u>Consolidated</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales							
Total Segment sales	43,796	24,897	11,117	26,722	20,356	2,334	129,222
Inter-segment	(626)	(1,714)	(9,683)	(5,555)	(3,057)	(2,334)	(22,969)
Sales to external parties	<u>43,170</u>	<u>23,183</u>	<u>1,434</u>	<u>21,167</u>	<u>17,299</u>	<u>—</u>	<u>106,253</u>
Segment results	679	619	401	4,242	611	(4,217)	2,335
Fair value loss on investment properties	(473)	(966)	—	—	—	—	(1,439)
Impairment loss on asset held-for-sale	(500)	—	—	—	—	—	(500)
Finance costs	(501)	(1)	—	(105)	(27)	(2)	(636)
	(795)	(348)	401	4,137	584	(4,219)	(240)
Share of results of associate and joint venture	<u>3,400</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(16)</u>	<u>—</u>	<u>3,384</u>
Profit before taxation	2,605	(348)	401	4,137	568	(4,219)	3,144
Taxation							(377)
Net profit after taxation							2,767
Non-controlling interests							(455)
Net profit attributable to equity holders of the Company							<u>2,312</u>
Segment assets	44,664	10,672	1,235	5,702	1,681	1,192	65,146
Investment in associates	—	—	—	—	132	—	132
Investment in joint ventures	<u>11,200</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>144</u>	<u>—</u>	<u>11,344</u>
Total segment assets							<u>76,622</u>
Total segment liabilities	<u>20,274</u>	<u>12</u>	<u>—</u>	<u>4,191</u>	<u>964</u>	<u>1,000</u>	<u>26,441</u>
Capital expenditures	2,204	1,591	239	3,386	909	1,056	9,385
Depreciation of property, plant and equipment	<u>1,434</u>	<u>1,981</u>	<u>177</u>	<u>1,372</u>	<u>866</u>	<u>179</u>	<u>6,009</u>

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
OUR GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2017**

Segment breakdown for the year ended 30 September 2016 are as follows:

(Audited)	<u>Industrial</u>	<u>Commercial</u>	<u>Residential</u>	<u>Logistics</u>	<u>Facilities management</u>	<u>Others and eliminations</u>	<u>Consolidated</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales							
Total Segment sales	52,286	25,197	11,278	19,070	15,829	2,672	126,332
Inter-segment	(246)	(1,457)	(10,394)	(3,488)	(3,370)	(2,672)	(21,627)
Sales to external parties	<u>52,040</u>	<u>23,740</u>	<u>884</u>	<u>15,582</u>	<u>12,459</u>	<u>—</u>	<u>104,705</u>
Segment results	3,876	2,273	(610)	2,146	(98)	454	8,041
Fair value gain on investment properties	2,071	—	—	—	—	—	2,071
Finance costs	(492)	—	—	(75)	(33)	—	(600)
	5,455	2,273	(610)	2,071	(131)	454	9,512
Share of results of associate and joint venture	<u>6,613</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>103</u>	<u>—</u>	<u>6,716</u>
Profit before taxation	12,068	2,273	(610)	2,071	(28)	454	16,228
Taxation							<u>(1,127)</u>
Net profit after taxation							15,101
Non-controlling interests							<u>(7)</u>
Net profit attributable to equity holders of the Company							<u>15,094</u>
Segment assets	44,857	12,330	1,182	3,686	1,638	232	63,925
Investment in associates	—	—	—	—	111	—	111
Investment in joint ventures	<u>7,113</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>181</u>	<u>—</u>	<u>7,294</u>
Total segment assets							<u>71,330</u>
Total segment liabilities	<u>20,004</u>	<u>—</u>	<u>—</u>	<u>2,556</u>	<u>1,208</u>	<u>—</u>	<u>23,768</u>
Capital expenditures	5,772	1,236	646	1,288	376	—	9,318
Depreciation of property, plant and equipment	<u>1,022</u>	<u>3,243</u>	<u>167</u>	<u>1,244</u>	<u>767</u>	<u>103</u>	<u>6,546</u>

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
OUR GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2017**

Reconciliation of segments' total assets and total liabilities

	As at 30 September	
	2017	2016
	S\$'000 <i>(unaudited)</i>	S\$'000 <i>(audited)</i>
Reportable segments' assets are reconciled to total assets:		
Segment assets	76,622	71,330
Deferred tax assets	651	441
Long-term prepayment	536	658
Available for sales financial assets	107	—
Inventories	33	18
Trade and other receivables	13,212	12,829
Loans to joint ventures	10,492	7,002
Prepayment	3,131	3,652
Cash and bank balances	13,262	19,926
Fixed deposits	6,270	5,706
	<u>124,316</u>	<u>121,562</u>
Total assets		
Reportable segments' liabilities are reconciled to total liabilities:		
Segment liabilities	26,441	23,768
Trade and other payables	25,054	26,390
Provision for reinstatement costs	373	352
Current income tax liabilities	1,266	1,350
Deferred tax liabilities	222	266
Other payables	18	7
	<u>53,374</u>	<u>52,133</u>
Total liabilities		

Geographical segment

The following table shows the distribution of the Group's revenue from external customers based on the location where goods are sold and services are provided:

	Revenue from external customers	
	Year ended 30 September	
	2017	2016
	S\$'000 <i>(unaudited)</i>	S\$'000 <i>(audited)</i>
Singapore	102,250	102,861
Indonesia	1,432	1,101
Thailand	1,661	508
Myanmar	868	235
Other countries	42	—
	<u>106,253</u>	<u>104,705</u>

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
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5. REVENUE

	Year ended 30 September	
	2017	2016
	S\$'000 <i>(unaudited)</i>	S\$'000 <i>(Audited)</i>
Rental and warehousing lease income	61,095	71,992
Parking revenue	11,097	9,084
Logistics services	11,507	9,253
Container services	9,580	6,103
Facility revenue	4,766	3,570
Security services	5,128	2,981
Licence fee	1,617	338
Maintenance income	731	741
Furniture trading	11	272
General contract works	272	218
Management services fee income	332	114
Others	117	39
	<u>106,253</u>	<u>104,705</u>

6. EXPENSE BY NATURE

	Year ended 30 September	
	2017	2016
	S\$'000 <i>(unaudited)</i>	S\$'000 <i>(audited)</i>
Advertising expenses	365	373
Commission fees	574	979
Entertainment expenses	163	159
Marketing expenses	196	293
Transportation costs	1,611	751
Container depot management charges	2,218	2,228
Rental expenses	57,493	56,991
Upkeep and maintenance costs	8,599	7,336
Consultancy fees	263	320
Depreciation of property, plant and equipment	6,009	6,546
Write-off of property, plant and equipment	40	52
Listing expenses in relation to the Dual Listing*	3,007	—
Professional fees	625	464
Vehicle-related expenses	67	175
Employee benefit costs	20,741	19,517
Insurance fees	664	509
IT Maintenance expenses	462	364
NETS/CEPAS Transaction Charges	160	130
Printing expenses	102	105
Telephone expenses	344	307
Auditor's remuneration		
— Audit services	139	209
— Non-audit services	103	113
Other expenses	2,293	1,442
	<u>106,238</u>	<u>99,363</u>

* Dual Listing represents the dual primary listing of the Shares on the Main Board of the Hong Kong Stock Exchange and the Catalist board of the SGX-ST.

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
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7. INCOME TAX EXPENSE

Tax has been provided at the applicable tax rate on the estimated assessable profit for the year ended 30 September 2016 and 2017.

The amount of income tax expense charged to the consolidated statements of profit or loss represents:

	<u>Year ended 30 September</u>	
	<u>2017</u>	<u>2016</u>
	<u>S\$'000</u>	<u>S\$'000</u>
	<i>(unaudited)</i>	<i>(audited)</i>
Current income tax	666	973
Deferred income tax	<u>(250)</u>	<u>(182)</u>
	<u>416</u>	<u>791</u>
(Over)/under provision in respect of prior years		
— current taxation	(35)	225
— deferred taxation	<u>(4)</u>	<u>111</u>
Income tax expense	<u><u>377</u></u>	<u><u>1,127</u></u>

The Company is incorporated in Singapore and accordingly, is subjected to income tax rate of 17%.

The Thailand, Myanmar and Hong Kong subsidiaries do not have chargeable income subject to tax.

There is no significant business activities in Malaysia.

8. DIVIDEND

	<u>Year ended 30 September</u>	
	<u>2017</u>	<u>2016</u>
	<u>S\$'000</u>	<u>S\$'000</u>
	<i>(unaudited)</i>	<i>(audited)</i>
Dividend recognised as distribution:		
— 2015 final dividend of 0.3 cents per share	—	1,084
— 2016 first interim dividend of 0.2 cents per share	—	724
— 2016 final dividend of 0.45 cent per share	<u>1,622</u>	<u>—</u>
	<u><u>1,622</u></u>	<u><u>1,808</u></u>

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
OUR GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2017**

9. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares deemed to be in issue during each of the years ended 30 September 2017 and 2016:

	<u>Year ended 30 September</u>	
	<u>2017</u>	<u>2016</u>
	S\$'000	S\$'000
	<i>(unaudited)</i>	<i>(audited)</i>
Net profit attributable to equity holders of the Company	2,312	15,094
Weighted average number of ordinary shares ('000)	360,314	361,335
Basic earnings per share (S\$ cent)	0.64	4.18

Diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during the year ended 30 September 2017 (2016: same).

	<u>Year ended 30 September</u>	
	<u>2017</u>	<u>2016</u>
	No of ordinary shares ('000)	No of ordinary shares ('000)
	<i>(unaudited)</i>	<i>(audited)</i>
Shares issued at the beginning of the year	360,004	361,524
Effect of shares issued for employee performance	310	187
Effect of purchase of treasury share	—	(376)
Weighted average number of ordinary shares for basic earnings per share	<u>360,314</u>	<u>361,335</u>

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
OUR GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2017**

10. TRADE AND OTHER RECEIVABLES

	<u>As at 30 September</u>	
	<u>2017</u>	<u>2016</u>
	S\$'000	S\$'000
	<i>(unaudited)</i>	<i>(audited)</i>
Trade receivables		
— Third parties	8,903	7,079
— Related parties	114	298
— Joint ventures	100	—
	<u>9,117</u>	<u>7,377</u>
Accrued rental income	715	1,197
GST receivables	364	389
Deposits with external parties	3,232	3,836
Unpaid deposits from customers	70	209
Tax recoverable	—	90
Other receivables	<u>386</u>	<u>512</u>
	<u>4,052</u>	<u>5,036</u>
Less:		
— impairment loss on trade receivables	(654)	(766)
— impairment loss on other receivables	<u>(18)</u>	<u>(15)</u>
	<u>13,212</u>	<u>12,829</u>

The aging analysis of the Group's trade receivables based on invoice date is as follows:

	<u>As at 30 September</u>	
	<u>2017</u>	<u>2016</u>
	S\$'000	S\$'000
	<i>(unaudited)</i>	<i>(audited)</i>
Current	1,190	2,085
1 to 30 days	3,148	2,508
31 to 60 days	1,604	552
61 to 90 days	326	159
91 to 180 days	1,329	856
181 to 365 days	531	287
Over 365 days	<u>989</u>	<u>930</u>
	<u>9,117</u>	<u>7,377</u>

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
OUR GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2017**

11. TRADE AND OTHER PAYABLES

	As at 30 September	
	2017	2016
	S\$'000 <i>(unaudited)</i>	S\$'000 <i>(audited)</i>
Trade payables		
— Third parties	3,521	2,103
— Related parties	—	2
	3,521	2,105
Other payables and accruals		
— Goods and services, tax payables	419	546
— Amount owing to a director of subsidiaries	98	26
— Provision of directors' fees	56	42
— Accruals	2,211	3,868
— Accrued rental expenses	3,957	3,384
— Rental deposits received from customers	12,316	14,244
— Rental deposits received from related parties	73	140
— Rental received in advance	522	442
— Advances received from customers	1,153	839
— Unpaid deposits	222	186
— Withholding tax	43	37
— Sundry creditors	448	531
Other payables	33	7
	25,072	26,397
Less:		
— Non-current portion: other payables	(18)	(7)
	25,054	26,390

The aging analysis of the Group's trade payables based on invoice date is as follows:

	As at 30 September	
	2017	2016
	S\$'000 <i>(unaudited)</i>	S\$'000 <i>(audited)</i>
0 to 30 days	2,447	1,438
31 to 60 days	610	288
61 to 90 days	284	75
Over 90 days	180	304
	3,521	2,105

The carrying amounts of trade and other payables approximated their fair values.

12. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

On 8 December 2016, the Group entered into a put and call option agreement relating to the sale and purchase of the property for a sale price of S\$20,000,000 and is expected to be completed within 12 months. As a result, Management has reclassified S\$13,336,000 of investment property and S\$6,664,000 of property, plant and equipment to non-current asset classified as held for sale.

As at 30 June 2017, the fair value of this property is S\$19,500,000. Therefore, an impairment loss of S\$500,000 was recognised as at that date.

Given that the Group was not granted the relevant approvals and confirmations from the Housing Development Board of Singapore before the agreed timeframe, the counter party has exercised its rights to rescind the put and call option agreement on 20 July 2017.

Although the put and call option agreement had been rescinded, management had assessed that the asset is available for immediate sale in its present condition and the asset is actively marketed for sale at a price that is reasonable in relation to its current fair value with a commitment by management to a plan to sell.

As at 30 September 2017, the Group has assessed that the sale of the property is not highly probable within the next twelve months. The Group has reclassified the non-current asset classified as held for sale to investment property and property, plant and equipment as the property is being leased out to third parties and also held for own used.

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
OPERATION RESULTS**

Introduction

The year ended 30 September 2017 (“FY2017”) was an important year for our Company. In June 2017, our Company has submitted the listing application to the Hong Kong Stock Exchange for the dual primary listing of, and permission to deal in, the Shares on the Main Board of the Hong Kong Stock Exchange. As at 30 September 2017, the application was still being considered by the Hong Kong Stock Exchange. If the application is approved by the Hong Kong Stock Exchange, and that the Underwriting Agreements have not been terminated and the conditions under the Underwriting Agreements have become unconditional, our Shares will be dually listed on the Main Board of the Hong Kong Stock Exchange and the Catalist board of SGX-ST on the Listing Date, being 29 December 2017. We believe this is one of the major milestones of our Company, to not only expand our business geographically, but also to achieve a dual primary listing status on the Hong Kong Stock Exchange.

We believe the Dual Listing is important for our business as (i) the Hong Kong Stock Exchange is strategically an ideal venue for our Company’s dual primary listing as Hong Kong is a special administrative region of the PRC, it has close trading and business links to the PRC, and it provides exposure to the PRC, and as such, it can strengthen our positioning and enhances our brand name in the Greater China region for our expansion especially with our existing and future expansion plan; (ii) we can capitalise as a listed company in Hong Kong to further reinforce our corporate profile, brand awareness and market reputation especially with our recent investment in WeOffices (see “Business Overview” below for further details), an international reputation is important for any further investment overseas and allows us to have a stronger bargaining power to negotiate better investment terms; and (iii) we will have better access to capital and future fund raising since we will have a dual channel coupled with our listing on the Catalist board of SGX-ST.

Furthermore, during FY2017, as a testament of our operational excellence and quality customer service, we were recognised by the Singapore Quality Class on 30 April 2017 for commendable performance in business excellence. We have also been awarded by the Securities Investors Association Singapore in September 2017 as the winner of the Singapore Corporate Governance Award 2017, Catalist Category to recognize our outstanding efforts in improving corporate governance. The award has been granted after we have been jointly evaluated by the Securities Investors Association Singapore together with National University of Singapore School of Business, Centre of Governance, Institutions and Organisations, who partnered with Thomson Reuters research which criteria focuses on company’s good governance practices that culminates in shareholders’ interest, and endorsed by esteemed industry organisations and institutions. We believe this award is a testament of our strong reputation, management and internal controls, and as a listed company on the Catalist board of SGX-ST in Singapore. Moreover, we have been awarded the Singapore Prestige Brand Award 2017 — Heritage Brands, which was jointly awarded by Association of Small & Medium Enterprises and Lianhe Zaobao in Singapore in recognition of our

strong brand, and were selected as the overall winner of the Heritage Brands category. Our brand has also been inducted into the Hall of Fame of Singapore Prestige Brand Award following continuous development of our brand over years. We believe these awards and recognitions provide us with a competitive edge in providing a level of assurance to our Shareholders and potential investors upon completion of the Listing, in Hong Kong, as a dually listed company on the Main Board of the Hong Kong Stock Exchange and on the Catalist board of the SGX-ST. We also believe these enable us to further strengthen our market reputation and confidence for our customers, tenants, landlords, suppliers and joint venture partners for our business operations and expansions.

Business Overview

Our Geographical Expansions

For FY2017, we continued to expand our business in Singapore and overseas. During the year, we have successfully expanded our geographical reach into Hong Kong by securing a car park management contract and commenced our car park management operations under our facilities management segment in May 2017. With our first operations in Hong Kong, we continue to explore the opportunities to further expand our business in Hong Kong.

We have also acquired 17.5% of interest in WeOffices in July 2017, a company incorporated in Denmark and principally engaged in the business of rental of serviced office space in Denmark. Although we do not have any management role in WeOffices, we believe this investment can bring synergies to our GreenHub Suited Offices business as (i) it enhances our brand value by recognising our GreenHub Suited Offices as part of a global network, (ii) it extends our brand exposure to European countries, and (iii) the potential customer referral in the future between our GreenHub Suited Offices business and WeOffices can widen our customer base as it allows us to cater the needs of customers with operations in both Asia and Europe.

Our Space Optimisation Business

During FY2017, we primarily offered and leased properties to our tenants after optimising the space at the properties that we have leased or purchased under our space optimisation business. Our space optimisation business is our principal business segment during FY2017. We have categorised all our leasing, sub-leasing and management of properties under our space optimisation business. “Space optimisation” involves re-designing and planning the property in order to increase its NLA and minimise the amount of “dead” or unusable space, thus increasing the potential rental yield per sq.ft. and accordingly, the potential rental yield of the property. In order to ensure the property will follow the optimisation plan, we will execute the necessary renovation and refurbishment work. The renovation and refurbishment work will also enhance the aesthetic appeal and potentially increase the overall value of the property. We also provide asset management services to property owners by assisting the property owners to design and optimise their property for leasing, and to provide lease management services, which we generate a fixed management fee based on a percentage of rental revenue generated from the property.

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
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We set out below a summary of our new properties that we manage under our space optimisation business during FY2017:

1. *Our Leased Property*

<u>Property name</u>	<u>Location</u>	<u>Type of Property</u>	<u>GFA</u> <u>sq.ft.</u> <u>(approx)</u>	<u>Lease term</u>
Beach Road	11 Beach Road, #03-01, Singapore	Commercial	6,900	1 March 2017 to 28 February 2021

2. *Properties under Asset Management Arrangement*

<u>Property name</u>	<u>Location</u>	<u>Type of Property</u>	<u>GFA</u> <u>sq.ft.</u> <u>(approx)</u>	<u>Management term</u>
118 Joo Chiat	118 Joo Chiat Road, Singapore	Commercial	18,600	15 March 2017 to 14 March 2022
Balestier Road	1, 3, 5, 7, 9, 11 Balestier Road, Singapore	Commercial and Residential	17,000	1 March 2017 to 28 February 2022

During FY2017, we have not acquired any owned property for our space optimisation business.

Furthermore, during FY2017, the number of master leases expired and not renewed amounted to two industrial properties, one commercial property and one residential property.

Also, for FY2017, we have obtained an estate agency license in Singapore to offer real estate agency services to other property owners through our online space portal, which is still in progress and yet to commence operation as at the Latest Practicable Date. We have also obtained an electrical retailer license to streamline our space optimisation business so as to reduce our business costs and to source electricity on wholesale basis rather than from electricity retailers for the electricity that our tenants obtain under their relevant tenancy agreement with us, if applicable.

Our Facilities Management Business

During FY2017, we primarily provided property related services to our properties and our customers in Singapore under our facilities management business. We offered three main areas of services, namely, comprehensive cleaning and related services, car park management services and security services. We have also recently expanded our car park management services into Hong Kong as mentioned in “Business Overview — Our Geographical Expansions” above.

We set out below a summary of our new car parks under our facilities management business during FY2017:

<u>Location</u>	<u>Expiry date</u>
Car park at 18 Tampines Industrial Crescent, Singapore	2018
Car park at the Parliament House, 1 Parliament Place, Singapore	2019
Carpark at Ground Floor of Tai Po Government Offices, No. 1 Ting Kok Road, Tai Po, Hong Kong	2020
Car park at Singapore Khalsa Association, 2 Tessensohn Road, Singapore	2020
Car park at Pioneer Lot, 25 Benoi Road, Singapore	2020
Serangoon Road/Lavender Street Off-Street Car Park, Singapore	2022

Furthermore, during FY2017, only one car park license in Singapore has expired and not renewed.

Our Logistics Services Business

During FY2017, we provided transportation service to our customers in Singapore, and container depot management service and container depot service to our customers in Singapore and Laem Chabang, Thailand.

In September 2017, we have signed a letter of intent setting out the preliminary terms and conditions to establish a joint venture with a company that is part of a global shipping group to offer container depot services in Singapore. We consider this as a strategic partnership and believe partnering with this strategic partner to setup the joint venture company will be beneficial to us as it is one of the largest global container shipping companies with high container volumes. With its container volumes and reputation in the shipping industry, we believe it will provide us with high potential demand of depot services for the joint venture company. As the joint venture company will be held as to 51% by our strategic partner and 49% by HLA Container Services, the results of this joint venture company will not be consolidated into our financial statements and will only be recorded as a share of profit of loss of an associate in our accounts.

In the same month, we have also signed a lease agreement in Thailand for a property to operate our second container depot in the vicinity of Bangkok, Thailand, and the lease term will commence once the land concreting is completed.

Industry Overview

Space Optimisation — Property leasing market in Singapore remains stable throughout FY2017. According to Frost & Sullivan, the rental rate in non-landed residential, landed residential and industrial sectors maintained at a similar level during FY2017. The rental rate in commercial sector dropped in early of first quarter of 2017, which was mainly attributable to decreased rents of office in CBD and property owners offering incentives (e.g. longer fitting-out periods) to attract tenants and boost the occupancy rate. The rental rate has seen a rebound near the end of first quarter of 2017 and remained stable afterwards.

Logistic Service — The total manufacturing output of refined petroleum and chemical products in Singapore realized a year over year growth of approximately 8.7% during FY2017, which provides solid demand for the petrochemical road transportation industry. Despite the slowdown of worldwide shipments in previous years, global container volume is expected to recover and grow at a CAGR of approximately 3.0% from year 2017 to 2021, which greatly benefits the container depot management market.

Events after FY2017 and Future Business Developments

As disclosed in “Business — Our Business Strategies” in this prospectus, we have a number of business strategies to grow our business. Please refer to the section for details. In order to carry out our business expansions so as to continue to grow our business, the following are the major development since 1 October 2017 and up to the Latest Practicable Date:

- (i) *Space Optimisation Business — PRC*: We are in discussion for a possible asset management agreement to manage a commercial property in Xiamen, Fujian Province, the PRC. As at the Latest Practicable Date, we have not entered into any memorandum of understanding or agreement for this asset management arrangement;
- (ii) *Space Optimisation Business — Myanmar*: We are currently in discussion with a landlord for a potential asset management project for a residential building consisting of 88 units of one bedroom apartments located approximately 5 minutes’ drive from downtown Yangon and close by Shangri-La Serviced Apartment and Residences in Yangon. As we are still in negotiation with the landlord, there is no certainty whether this transaction will proceed or at all. If this transaction will proceed, the property will be operated as 85SOHO serviced residences;

- (iii) *Facilities Services — Car Park Management in Singapore and Hong Kong:* We have obtained licenses for 12 car parks in Singapore and leases for one car park in Hong Kong;
- (iv) *Logistics Services Business — ISO Tank Depot in Singapore:* On 3 October 2017, we signed a letter of intent setting out our proposed terms and conditions of the acquisition of a property in Singapore to operate our ISO tank depot. On 29 November 2017, we received a binding offer of an option to purchase the property from the vendor. The acquisition is subject to, among others, the approval from JTC. A deposit of S\$230,000 has also been paid to the vendor, which is refundable if JTC's approval is not obtained; and
- (v) *Logistics Services Business — Container Depot in Singapore:* On 4 December 2017, HLA Logistics, an associate company of our Group, was incorporated for this collaboration, which, as of the Latest Practicable Date, had not commenced any business operations.

Business Outlook

We remain very positive in the coming year for year ending 30 September 2018. We will continue to carry out our business strategies to grow our business in breadth and in depth.

With the rental rates remained stable in Singapore throughout FY2017, we believe our space optimisation business will continue to benefit from the steady trend and grow with the expansions that are currently underway. Furthermore, we expect Myanmar will further increase our profitability as we expect the demand for 85SOHO serviced residence in Myanmar to remain healthy as its economy continues to develop.

As for our facilities management business, we expect to further expand by securing more car parks to manage and to increase the car park rates of existing car parks. In addition, we believe the demand of integrated facilities management and security services would grow further as companies and agencies seek to outsource such services to save costs and increase efficiency.

In terms of our logistics services business, the business has proven to be resilient in the tough shipping and transportation market as we focus on shorter turnaround time to help customers save costs. We are optimistic on the demand for container storage and repair services, and transportation services.

**APPENDIX IA UNAUDITED PRELIMINARY FINANCIAL INFORMATION OF
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Financial Review

Revenue

We set out below the breakdown of our revenue by business operations for FY2017 and for the year ended 30 September 2016 (“FY2016”):

	<u>FY2017</u>	<u>FY2016</u>	<u>Changes</u>	
	S\$'000 (unaudited)	S\$'000 (audited)	S\$'000	%
Space optimisation business				
Industrial properties	43,170	52,040	(8,870)	(17.0)
Commercial properties	23,183	23,740	(557)	(2.3)
Residential properties	<u>1,434</u>	<u>884</u>	<u>550</u>	<u>62.2</u>
	67,787	76,664	(8,877)	(11.6)
Facilities management business	17,299	12,459	4,840	38.8
Logistics services business	<u>21,167</u>	<u>15,582</u>	<u>5,585</u>	<u>35.8</u>
Total	<u><u>106,253</u></u>	<u><u>104,705</u></u>	<u><u>1,548</u></u>	<u><u>1.5</u></u>

Our revenue increased by S\$1.5 million, or 1.5%, from S\$104.7 million for FY2016 to S\$106.3 million for FY2017 primarily due to increase in revenue from our facilities management business and logistics services business, which partially offset by the decrease in revenue generated from industrial properties and commercial properties of our space optimisation business.

(a) *Space Optimisation Business*

Our revenue generated from our space optimisation business decreased by S\$8.9 million, or 11.6%, from S\$76.7 million for FY2016 to S\$67.8 million FY2017.

Industrial Properties

Revenue generated from our industrial properties decreased by S\$8.9 million, or 17.0%, from S\$52.0 million for FY2016 to approximately S\$43.2 million for FY2017 mainly due to (i) the expiry of four of our master leases in the west zone of Singapore during FY2016 and did not contribute to any revenue for FY2017; (ii) the expiry of two of our master leases in the west zone of Singapore during FY2017, which were not renewed; (iii) movement of tenants including those due to expiry of master leases as our leases with our tenants generally would end prior to the expiry of master leases, and for the master leases that were expired but renewed, some tenants did not renew their tenancy upon expiry of their tenancy agreement and it took time to market the vacant units to new tenants at the beginning of renewed master leases; (iv) the tenancy

agreement with one major tenant at 34 Boon Leat Terrace which contributed substantial rental income expired in September 2016 and it took time to market the vacant units to new tenants after the expiry; and (v) lower rental rates arising from expiry and renewal of leases with our tenants for FY2017.

The average occupancy rate of our industrial properties for FY2017 was approximately 88.4% as compared to 94.0% for FY2016.

Commercial Properties

Revenue generated from our commercial properties decreased slightly by S\$0.6 million, or 2.3%, from S\$23.7 million for FY2016 to S\$23.2 million for FY2017 primarily due to the movement of tenants and lower rental rates arising from expiry and renewal of leases with our tenants for FY2017.

The average occupancy rate of our commercial properties for FY2017 was approximately 91.0% as compared to 94.0% for FY2016.

Residential Properties

Revenue generated from our residential properties increased by S\$0.6 million, or 62.2%, from S\$0.9 million for FY2016 to S\$1.4 million for FY2017 primarily due to the full period revenue contribution and higher occupancy rate of our 85SOHO serviced residence in Myanmar launched in March 2016, occupancy rate of which increased from 27.0% for FY2016 to 94.2% for FY2017.

(b) *Facilities Management Business*

Revenue generated from our facilities management business increased by S\$4.8 million, or 38.8%, from S\$12.5 million for FY2016 to S\$17.3 million for FY2017, primarily due to (i) increase of revenue from car parking services with improved returns of our existing car parks and increase car park rates; (ii) increase of revenue from the increase in number of car parks we managed; and (iii) increase of revenue from new security contracts secured from an increase in demand of our security services.

(c) *Logistics Services Business*

Revenue generated from our logistics services business increased by S\$5.6 million, or 35.8%, from S\$15.6 million for FY2016 to S\$21.2 million for FY2017 primarily due to (i) an increase of revenue from container services of our container depot business mainly arising from the increase in demand of storage and repairs of leasing containers contributed by slow-down of shipments worldwide; and (ii) increase in revenue from our transportation services.

Cost of Sales

Our cost of sales increased by S\$3.3 million, or 4.3%, from S\$77.2 million for FY2016 to S\$80.5 million for FY2017 primarily due to (i) an increase in upkeep and maintenance costs of our logistics transportation fleet of S\$1.3 million and transportation costs of S\$0.9 million from our logistics services business, which was generally in line with the increase in logistics services revenue; (ii) increase in direct labour costs of S\$0.6 million as we increased the number of our employees for our business expansion; and (iii) increase in rental costs of S\$0.4 million.

Gross Profit

As a result of the above, our gross profit decreased by S\$1.7 million, or 6.3%, from S\$27.5 million for FY2016 to S\$25.8 million for FY2017.

Other Income

Other income decreased by S\$0.5 million, or 15.7%, from S\$3.0 million for FY2016 to S\$2.5 million for FY2017 primarily due to (i) a decrease in foreign exchange gain of S\$0.3 million; and (ii) a decrease in miscellaneous income such as government grants of S\$0.2 million.

Other Losses

Other losses decreased slightly by S\$0.1 million from S\$0.3 million for FY2016 to S\$0.2 million for FY2017.

Selling and Distribution Expenses

Selling and distribution expenses decreased by S\$0.5 million, or 28.0%, from S\$1.8 million for FY2016 to S\$1.3 million for FY2017 primarily due to a decrease in real estate agent commission of S\$0.4 million and a decrease in marketing expenses of S\$0.1 million.

Administrative Expenses

Administrative expenses increased by S\$4.0 million, or 20.1%, from S\$20.4 million for FY2016 to S\$24.4 million for FY2017 primarily due to (i) non-recurring professional fees incurred in connection with the Dual Listing of S\$3.0 million; (ii) increase in employee benefit costs of S\$0.7 million; (iii) increase in insurance fees of S\$0.1 million; (iv) increase in professional fees of S\$0.2 million; (v) increase in miscellaneous expenses of S\$0.2 million; and (vi) increase in foreign exchange loss of S\$0.3 million; and partially offset by a decrease in depreciation of S\$0.5 million as the cost of renovation for some sites have been fully depreciated during the lease term.

Finance Cost

Finance cost remained stable at S\$0.6 million for FY2016 and FY2017.

Share of Results of Associates and Joint Ventures

Our share of results of associates and joint ventures decreased by S\$3.3 million, or 49.6%, from S\$6.7 million for FY2016 to S\$3.4 million for FY2017 primarily due to a non-recurring fair value gain on investment properties of S\$7.1 million recognised in FY2016. In FY2017, we have recognised S\$3.8 million as our proportionate share of gain on bargain purchase arising from the acquisition of Four Star.

Fair Value Gain/(Loss) on Investment Properties

Fair value on investment properties changed from a gain of S\$2.1 million in FY2016 to a loss of S\$1.4 million in FY2017 primarily due to a decrease in valuation of our Kota Kasablanca property located at the fringe of the CBD in Jakarta, Indonesia which amounted to S\$1.0 million arising from the decrease in expected rental rate from the general property market condition in Jakarta, Indonesia.

Impairment Loss on Non-Current Asset Classified as Held for Sale

Our impairment loss on non-current asset classified as held for sale increase from nil in FY2016 to S\$0.5 million in FY2017 due to the decrease in valuation of 72 Eunos property.

Profit before Income Tax

As a result of the above, profit before income tax decreased by S\$13.1 million, or 80.6%, from S\$16.2 million in FY2016 to S\$3.1 million in FY2017.

Income Tax Expense

Our income tax expense decreased by S\$0.7 million, or 66.5%, from S\$1.1 million in FY2016 to S\$0.4 million in FY2017 primarily due to lower taxable income, higher tax relief received and lower deferred tax expense in FY2017.

Profit for the Year

As a result of the above, profit for the year decreased by S\$12.3 million, or 81.7%, from S\$15.1 million in FY2016 to S\$2.8 million in FY2017.

Our basic earnings per share decreased from 4.18 Singapore cents per Share for FY2016 (with a weighted average of 361,335,000 Shares in issue) to 0.64 Singapore cents per Share for FY2017 (with a weighted average of 360,314,000 Shares in issue). The basic and diluted earnings per Share are the same as there were no potential dilutive Shares in issue as at 30 September 2016 and 2017.

Discussion of Selected Items of Consolidated Statement of Financial Position

Trade and Other Receivables

Our trade and other receivables as at 30 September 2017 primarily relate to outstanding amounts receivable by us from our customers and tenants, and deposits with external parties, which are mainly security deposits paid to lessors or landlords of our properties, utilities service providers and potential lessors or potential sellers for property sites, and other deposits such as for vehicle rental and equipment rental.

Our trade and other receivables increased slightly by S\$0.4 million, or 3.1%, from S\$12.8 million as at 30 September 2016 to S\$13.2 million as at 30 September 2017 primarily due to increase in our revenue generated from our facilities management business and logistics services business, which have longer credit period than the average turnover days of trade receivables in FY2017.

Trade and Other Payables

Our trade and other payables in FY2017 primarily relate to trade payables, rental deposits received from tenants of our space optimisation business, accruals such as utilities, site expenses, and other professional fees, and accrued rental expenses.

Our trade and other payables decreased by S\$1.4 million, or 5.1%, from S\$26.4 million as at 30 September 2016 to S\$25.1 million as at 30 September 2017 primarily due to a decrease in rental deposits received from tenants following the expiry of some leases with our tenants in FY2017.

Investment in Joint Ventures

As at 30 September 2017, our investment in joint ventures amounted to S\$11.3 million, which increased from S\$7.3 million as at 30 September 2016. Our investment in joint ventures as at 30 September 2016 was primarily from our proportionate share of fair value gain of the property acquired by Work Plus Store (AMK) of approximately S\$6.9 million following the post-acquisition valuation of the property. The increase of S\$4.0 million of our investment in joint ventures in FY2017 from FY2016 was primarily due to our proportionate share of difference between the cost of investment and net asset value of Four Star, a joint venture acquired by us in October 2016. The difference between the cost of investment and net asset value was mainly due to the bargain purchase price for the acquisition negotiated on an arm's length basis.

Loans to Joint Ventures

We have commenced to set-up joint ventures with our joint venture partners in FY2016. Our loans to the joint ventures represent our proportional share for the acquisition of the target joint venture property whereas our joint venture partners will also provide loans to the joint ventures representing their proportional share. Our loans to joint ventures will be repaid in equal portion to

our joint venture partners and us, as and when the board of directors of the respective joint venture companies decides to repay the loans taking into consideration of factors such as cash flow and results of operations.

As at 30 September 2017, our loans to joint ventures amounted to S\$10.5 million, which increased from S\$7.0 million as at 30 September 2016. The increase was primarily due to loan provided to Metropolitan Parking as working capital and loan provided to Work Plus Store (AMK) and Four Star for the renovation of the property held and as working capital.

Liquidity and Capital Resources

Financial Resources

Our use of cash primarily relates to our operating activities, capital expenditures, finance cost, repayment of bank borrowings and expansion of our business operations. For FY2017, we have financed our operations primarily through a combination of cash flow generated from our operations, capital contribution, bank borrowings, finance leases and proceeds from the Catalyst Listing. We are able to repay our obligations when they become due.

In FY2017, we have not used any financial instruments for hedging purposes.

Net Current Assets

As at 30 September 2017, we had net current assets of S\$13.3 million. Our net current assets decreased from S\$18.2 million as at 30 September 2016 to S\$13.3 million as at 30 September 2017 primarily due to (i) decrease in prepayments of S\$0.5 million; (ii) decrease in cash and bank balances of S\$6.7 million primarily due to the payment of dividend of S\$1.6 million and expenses of the Dual Listing of S\$3.0 million; (iii) proceeds received from bank borrowings obtained of S\$3.0 million; (iv) increase in finance lease liabilities of S\$0.4 million with the purchase of our logistics equipment; and (v) increase in provision for reinstatement cost of S\$0.2 million; and partially offset by (a) increase in trade and other receivables of S\$0.4 million with the growth of our logistics services business, which has a longer credit term; (b) loans to joint ventures of S\$3.5 million; (c) increase in fixed deposits of S\$0.6 million; and (d) decrease in trade and other payables of S\$1.4 million.

Capital Expenditures

Our capital expenditure during the Track Record Period primarily related to acquisition of leasehold buildings, renovation works, and furniture fittings of our properties for our space optimisation business, and acquisition of plant and machineries and logistics equipment for our logistic services business.

We expect that our future capital expenditures will increase subsequent to FY2017 as we expand our business based on our business strategies. Our planned capital expenditures for the year ending 30 September 2018 are expected to be S\$52.6 million. See “Financial Information — Capital Expenditure and Commitment” in this prospectus for details.

Indebtedness

Bank Borrowings

We primarily obtained bank borrowings to finance our acquisition of properties and logistics equipment. We also have a revolving loan for our short-term finance needs. Our borrowings as at 30 September 2017 were denominated in Singapore dollars with interest charged on these borrowings ranges from 1.75% to 3.65% per annum. As at 30 September 2017, we had outstanding bank borrowings of \$21.3 million. These borrowings were secured by (i) legal mortgage of our leasehold properties at 100 Eunos and 72 Eunos; (ii) corporate guarantees by our Company and LHN Group; and (iii) assignment of rental proceeds of the mortgaged properties.

Finance Lease Liabilities

Our finance lease liabilities primarily consisted of finance lease for our property, plant and equipment from Independent Third Parties. The lease agreements do not have any renewal clause but provide us with options to purchase the leased assets at nominal value at the end of the lease term. Our finance lease liabilities as at 30 September 2017 were denominated in Singapore dollars. As at 30 September 2017, we had finance lease liabilities of S\$5.2 million. The obligations under the finance lease are secured by the underlying assets of plant and machinery, logistics equipment and motor vehicles, personal guarantees from a director of a non-wholly owned subsidiary of our Group, who is also a shareholder of such subsidiary and not a Controlling Shareholder, proportional to such director’s shareholding in the non-wholly owned subsidiary, and corporate guarantees by our Group.

Contingent Liabilities

As at 30 September 2017, we did not have any material contingent liabilities and no off-balance sheet commitments and arrangements.

Selected Key Financial Ratios

Current ratio is calculated by total current assets divided by total current liabilities. Current ratio as at 30 September 2017 was 1.4, decreased from 1.6 as at 30 September 2016 primarily due to (i) decrease in current assets mainly from decrease in prepayments of S\$0.5 million, and decrease in cash and bank balances of S\$6.7 million primarily due to the payment of dividend of S\$1.6 million and expenses of the Dual Listing of S\$3.0 million; and (ii) increase in current liabilities

mainly from proceeds received from bank borrowings obtained of S\$3.0 million, increase in finance lease liabilities of S\$0.4 million with the purchase of our logistics equipment and increase in provision for reinstatement cost of S\$0.2 million.

Gearing ratio is equal to total debt divided by total equity and multiplied by 100%. Total debt comprises our bank borrowings and finance lease payables. Gearing ratio as at 30 September 2017 was 37.3%, increased from 34.2% as at 30 September 2016 primarily due to increase in total debts of S\$2.7 million as at 30 September 2017.

Debt to equity ratio is equal to net debt divided by total equity and multiplied by 100%. Net debt represents our bank borrowings and finance lease payables less fixed deposits and cash and bank balances. Debt to equity ratio as at 30 September 2017 was 9.7%, increased from a net cash position as at 30 September 2016 primarily due to an increase in bank borrowings and decrease in cash and bank balances of S\$6.7 million primarily due to the payment of dividend of S\$1.6 million and expenses of the Dual Listing of S\$3.0 million.

Return on equity is equal to net profit for the year divided by average balance of total equity of the year and multiplied by 100%. Average balance is calculated as the sum of the opening and ending balances of the relevant year divided by two. Calculation on return on equity is on a full year basis. Return on equity ratio for FY2017 was 3.9%, decrease from 24.2% for FY2016 primarily due to the decrease in net profits from S\$15.1 million in FY2016 to S\$2.8 million in FY2017.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

In FY2017, we acquired 17.5% interest in WeOffices in July 2017, a company incorporated in Denmark and principally engaged in the business of rental of serviced office space in Denmark. The acquisition will be completed in two stages. The first tranche subscription is for a total of DKK1,497,030 (equivalent to S\$321,942 for illustration purpose only), of which, DKK499,010 (equivalent to S\$107,314 for illustration purpose only) has been paid in cash in July 2017, and the remaining portion of the consideration shall be paid when requested by the board of directors of WeOffices for the purpose of acquisition of additional office sites with a minimum of DKK125,000, and in any event no later than the date when WeOffices opens the seventh office location. The board of directors of WeOffices must give a notice of ten business days for the payment demand. The consideration for the second tranche subscription shall be (i) 5% of the aggregate net profit after tax of WeOffice for the financial years ended 30 June 2018, 2019 and 2020 if (a) the aggregate net profit after tax of WeOffices for the financial years ended 30 June 2018, 2019 and 2020 amounts to DKK8,982,180 or more; and (b) WeOffices has opened the ninth office site on or before the closing date of the second tranche subscription; or (ii) DKK59.16 (equivalent to S\$13 for illustration purpose only).

Significant Investment

In FY2017, we had not held any significant investment.

Exposure to Fluctuations in Exchange Rates

In FY2017, we generated most of our revenue from Singapore, and we also generated service revenue from our operations overseas including Indonesia, Thailand, Myanmar and Hong Kong. We also have investment in Denmark. Furthermore, we are planning to expand our business into other countries and regions including PRC, Cambodia and Vietnam. When our overseas subsidiaries or associates remit their dividends to our Company, the dividends will be converted from local currencies or U.S. dollars to Singapore dollars. Furthermore, as the overseas subsidiaries are consolidated into our financial statements in Singapore dollars terms, we will be subject to foreign exchange risks as the reporting currency of our overseas subsidiaries is the relevant local currency or U.S. dollars, which will be translated into Singapore dollars upon consolidation. In FY2017, we recorded currency translation loss of S\$94,000. In FY2017, we have not carried out any hedging activities against foreign exchange fluctuations.

Employees, Trainings and Development

We value our employees and recognise the importance of a good relationship with our employees. The remuneration to our employees includes salaries and allowances, which is determined based on their performance, experience and prevailing industry practices. The compensation policies and packages are reviewed on a regular basis.

In terms of trainings and development, we believe our employee's progression in their skills and abilities are contributing factors to our success. We believe employee training will enable us to maintain our competitive edge as our training scope targets to update the skills and knowledge of our employees based on the latest changes in the business environment. The trainings provided to our employees focus on three main areas, namely leadership development, strategic & functional skills development and personal development. These trainings take place both locally and overseas, mainly organised by internationally recognised institution.

For example, for all new joiners, we have an informative in-house orientation programme introduce them to our culture, policies and procedures, and also our mission, vision and values so that we can deliver consistent quality services to our customers. For existing employees, we organise company-wide townhall communication sessions quarterly to share our latest initiatives, mission, vision & values and conduct department sharing sessions to enable our employees to keep abreast with the workings of the other departments and businesses. We also provide all our employees on-the-job training so that they are equipped with the skills and knowledge to make valuable contributions to our business and operations.

Furthermore, as a requirement for providing security services of our facilities management business, all of our security employees must have obtained the certification as a security officer from the Singapore Police Licencing and Regulatory Department and completed the relevant required courses for their respective rank as stated below provided by recognised training institutions.

As at 30 September 2017, we had a total of 403 employees as compared to 377 employees as at 30 September 2016. Total staff costs increased from S\$19.5 million in FY2016 to S\$20.7 million in FY2017 primarily due to increase in the number of our employees for our business expansion.

CORPORATE GOVERNANCE CODE UNDER THE LISTING RULES

We have adopted the code provisions of the corporate governance code in Appendix 14 to the Listing Rules as part of our corporate governance code, effective from the Listing Date, which will be in addition to the code of corporate governance in Singapore that we have to comply with. As such, we will comply with the more stringent requirements upon the Listing.

As at 30 September 2017, since our Shares were yet to be listed on the Hong Kong Stock Exchange, the code provisions of the corporate governance code in Appendix 14 to the Listing Rules was not applicable to us in FY2017.

MODEL CODE FOR SECURITIES TRANSACTIONS OF DIRECTORS OF LISTED ISSUERS

We have adopted the model code for securities transaction of directors of listed issuers as set out in Appendix 10 to the Listing Rules as our code of conduct regarding securities transactions by our Directors, effective from the Listing Date, in addition to the requirements under the Catalist Listing Manual. As such, we will comply with the more stringent requirements upon the Listing.

As at 30 September 2017, since our Shares were yet to be listed on the Hong Kong Stock Exchange, the model code for securities transaction of directors of listed issuers as set out in Appendix 10 to the Listing Rules was not applicable to us in FY2017.

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES

As at the date of this prospectus, our Shares are only listed on the Catalist board of SGX-ST as the Global Offering is yet to be completed.

On 18 January 2017, pursuant to the LHN Performance Share Plan, 441,200 treasury Shares were awarded to our employees (which do not include any of our Directors, Controlling Shareholders or their associates) under the LHN Performance Share Plan. Under the LHN Performance Share Plan, the employees are not required to pay for the shares granted to them under the plan and the employee performance share expenses we recognised in FY2017 amounted to S\$88,000. Following the transfers and as at 30 September 2017, the total issued and paid-up share capital of our Company is S\$51,286,998 divided into 361,857,200 Shares. After the transfers, the total number of treasury shares was 1,411,800 shares.

Except as disclosed in this section, none of our Company or any of our subsidiaries has purchased, sold or redeemed any of our Shares in FY2017.

DIVIDENDS

For FY2017, a final dividend of 0.2 Singapore cents per Share of the Company has been proposed, subject to approval by shareholders at the forthcoming annual general meeting to be convened.

For FY2016, a final dividend of 0.45 Singapore cents per Share was declared, which was paid on 10 February 2017.

AUDIT COMMITTEE

We have established an audit committee in accordance with the Listing Rules and have drawn up written terms of reference. Our audit committee has reviewed our unaudited preliminary financial information for FY2017 as set out in this appendix.

The information set out in this Appendix does not form part of the Accountant's Report from the reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, as set out in Appendix I, and is included herein for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the section entitled "Financial Information" in this prospectus and the Accountant's Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Global Offering on the net tangible assets of the Group attributable to the equity holders of the Company as of 30 June 2017 as if the Global Offering had taken place on 30 June 2017.

This unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as at 30 June 2017 or at any future dates.

	Audited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 June 2017 <i>(Note 1)</i>	Estimated net proceeds from the Global Offering <i>(Note 2)</i>	Unaudited pro forma adjusted net tangible assets attributable to equity holders of the Company as at 30 June 2017	Unaudited pro forma adjusted net tangible assets per Share	
	S\$'000	S\$'000	S\$'000	S\$ <i>(Note 3)</i>	HK\$ <i>(Note 4)</i>
Based on an Offer Price of HK\$1.90 per Share	<u>69,283</u>	<u>11,026</u>	<u>80,309</u>	<u>0.200</u>	<u>1.147</u>
Based on an Offer Price of HK\$2.36 per Share	<u>69,283</u>	<u>14,184</u>	<u>83,467</u>	<u>0.207</u>	<u>1.193</u>

Notes:

- (1) The audited consolidated net tangible assets attributable to equity holders of the Company as at 30 June 2017 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net assets of the Group attributable to equity holders of the Company as at 30 June 2017 of S\$69,283,000.

- (2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK\$1.90 and HK\$2.36 per Offer Share, being the lower end to higher end of the Offer Price range respectively, after the deduction of the underwriting fees and other listing related expenses payable by the Company (excluding listing expenses of S\$2,938,000 charged to the consolidated statements of profit or loss up to 30 June 2017), and takes no account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by the Company pursuant to the general mandate.
- (3) The unaudited pro forma net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 402,445,400 Shares were in issue (adjusted by 1,411,800 treasury shares) assuming that the Global Offering had been completed on 30 June 2017 but takes no account of any Shares which may be (i) allotted and issued under the LHN Performance Share Plan; (ii) allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme; or (iii) issued or repurchased by the Company pursuant to the general mandate.
- (4) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 June 2017.
- (5) For the purpose of this unaudited pro forma adjusted net tangible assets, the balances stated in Singapore dollars are converted into Hong Kong dollars at a rate of S\$1 to HK\$5.75. No representation is made that Singapore dollar amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

B. REPORT FROM THE REPORTING ACCOUNTANT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION
TO THE DIRECTORS OF LHN LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of LHN Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets of the Group as at 30 June 2017, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated 15 December 2017, in connection with the proposed global offering of the shares of the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed global offering on the Group's financial position as at 30 June 2017 as if the proposed global offering had taken place at 30 June 2017. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial information for the period ended 30 June 2017, on which an accountant's report has been published.

DIRECTORS' RESPONSIBILITY FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed global offering at 30 June 2017 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 15 December 2017



Jones Lang LaSalle

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Company Reg No. 198004794D CEA Licence No. L3007326E
 Company Reg No. 197600508N

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from Jones Lang LaSalle Property Consultants Pte Ltd, an independent valuer, in connection with its valuation as at 30 September 2017 of the properties held by the Group.

15 December 2017

The Board of Directors
 LHN Limited
 10 Raeburn Park
 #02-18
 Singapore 088702



Valuation (Land & Building)

Dear Sirs,

In accordance with your instructions to value the property interests held by LHN Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) in Singapore and Indonesia, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property interests as at 30 September 2017 (the “valuation date”).

Our valuation is done on a market value basis. Market value is defined as “the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have valued the property interest in Group I which is partially held for investment and partially held and occupied by the Group in Singapore and property interests in Group II which are held for investment by the Group in Singapore by using at least 2 of the following methods, namely: capitalisation approach, discounted cash flow approach and direct comparison approach assuming sale of the property interests in their existing state, subject to the existing tenancies and occupancy arrangement. We have also make reference to comparable sales transactions as available in the relevant market to carry out our assessment.

We have valued the property interest in Group III which is held for investment by the Group in Indonesia by direct comparison approach assuming sale of the property interest in its existing state and by making reference to comparable sales transactions as available in the relevant market.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation — Professional Standards published by the Royal Institution of Chartered Surveyors; the SISV Valuation Standards published by the Singapore Institute of Surveyors and Valuers; the International Valuation Standards published by the International Valuation Standards Council; and the Sixth Edition of the Indonesia Valuation Standards (Standar Penilaian Indonesia/SPI).

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as the gross floor areas, net lettable areas, cost of construction of the additions and alterations, existing leases and occupancy arrangements, projected revenues and expenses, specifications, formal planning approval and other relevant matters.

We have carried out the title searches relating to the Property with the Land Title Registry. We have reported the information with regards to the ownership, tenure, land area and all encumbrances, if any, in our reports. However, we do not interpret nor ascertain the security of the ownership or legal interest in the Properties belonging to the client. In carrying out our valuation, we assumed that the client owned the assets as at the date of our valuation.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and architectural site and floor plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and where possible, the interior of the properties. However, we have not carried out investigations on site to determine the suitability of the ground conditions and the services etc for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any items of disrepair which we regard as serious, we are not, however, able to give any assurance that the Properties are free of rot, infestation or any other structural defect.

23 Woodlands Industrial Park E1 #04-02 Admiralty Industrial Park was inspected on 28 March 2017 by Gay Shi Hui. The site inspection on 72 and 100 Eunos Avenue 7 was inspected on 27 March 2017 by Mr. Jansen Ko. Gay Shi Hui and Jansen Ko have 10 years' and 4 years' experience respectively in the valuation of properties in Singapore.

The site inspection on strata-titled office space at 38th floor at Eighty-Eight Building at Kota Kasablanka, Jakarta — Indonesia was carried out on 7 April 2017 by Agus Prianto and Aninda Sarah Kinanti. Agus Prianto and Aninda Sarah Kinanti have 8 years' and 3 years' experience respectively in valuation of properties in Indonesia.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive at an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Singapore Dollar (S\$) or Indonesians Rupiah (Rp). Our valuation is summarised below and the valuation certificates are attached.

Yours faithfully,

for and on behalf of

Jones Lang LaSalle Property Consultants Pte Ltd

Tan Keng Chiam

B.Sc. (Est. Mgt.) MSISV, MRICS

Appraiser Licence No: AD041-2004796D

Regional Director

Note: Tan Keng Chiam is a Singapore Licensed Appraiser and member of Singapore Institute of Surveyor and Valuer who has 27 years' experience in the valuation of properties in Singapore. Bayu R Wiseso is a Licensed Public Valuer and member of Indonesian Society of Appraiser who has 18 years' experience in the valuation of properties in Indonesia.

SUMMARY OF VALUES

Group I — Property interest partially held for investment and partially held and occupied by the Group in Singapore⁽¹⁾

<u>No.</u>	<u>Property</u>	<u>Market Value in existing state as at 30 September 2017</u>
		S\$
1	72 Eunos Avenue 7 Singapore 409570	19,500,000
	Sub-Total:	<u>19,500,000</u>

Group II — Property interests held for investment by the Group in Singapore⁽¹⁾

<u>No.</u>	<u>Property</u>	<u>Market Value in existing state as at 30 September 2017</u>
		S\$
2	23 Woodlands Industrial Park E1 #04-02 Admiralty Industrial Park Singapore 757741	500,000
3	100 Eunos Avenue 7 Singapore 409572	20,000,000
	Sub-Total:	<u>20,500,000</u>

Group III — Property interest held for investment by the Group in Indonesia⁽¹⁾

<u>No.</u>	<u>Property</u>	<u>Market Value in existing state as at 30 September 2017</u>
		Rp
4	Strata-titled office space at Eighty-Eight Building at Kota Kasablanka, #38th floor, which is located at Jalan Casablanca Kav. 88, in the Sub-District of Tebet, District of Menteng Dalam, City of South Jakarta, Province of DKI Jakarta — Country of Indonesia	65,760,000,000
	Sub-Total:	<u>65,760,000,000</u>

Note:

(1) As advised by the Group.

VALUATION CERTIFICATE

Group I — Property interest partially held for investment and partially held and occupied by the Group in Singapore

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value as at 30 September 2017 S\$																						
1	72 Eunos Avenue 7 Singapore 409570	<p>The Property is a 6-storey light industrial building, erected on a square plot of land at the access road level. The Property underwent addition and alteration work in 2013, which has been completed in 2014.</p> <p>The Property is approximately 32 years old.</p> <p>The Property is located on Lot 2517P Mukim 23 with a site area of 2,526.1 sq.m. (27,191 sq.ft.).</p> <p>The Property has a gross floor area of approximately 6,315.25 sq.m. (67,977 sq.ft.).</p> <p>The Property is held under leasehold for 30 years commencing from 1 January 2011, with a land premium paid to the Lessor.</p>	<p>According to the Tenancy Agreement between Singapore Handicrafts Pte. Ltd. and PickJunction Pte. Ltd. as provided by the client, the Property is leased and managed by them where they guarantee the minimum amount of rent to be collected or to be received by the Landlord in respect of the Property in any year of the Term shall be in the amount as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">Annual Net Rent (on 100% of the existing GFA)</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">1</td><td style="text-align: right;">S\$1,713,020</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: right;">S\$1,713,020</td></tr> <tr><td style="text-align: center;">3</td><td style="text-align: right;">S\$1,713,020</td></tr> <tr><td style="text-align: center;">4</td><td style="text-align: right;">S\$1,747,281</td></tr> <tr><td style="text-align: center;">5</td><td style="text-align: right;">S\$1,782,226</td></tr> <tr><td style="text-align: center;">6</td><td style="text-align: right;">S\$1,817,871</td></tr> <tr><td style="text-align: center;">7</td><td style="text-align: right;">S\$1,854,228</td></tr> <tr><td style="text-align: center;">8</td><td style="text-align: right;">S\$1,891,313</td></tr> <tr><td style="text-align: center;">9</td><td style="text-align: right;">S\$1,929,139</td></tr> <tr><td style="text-align: center;">10</td><td style="text-align: right;">S\$1,967,722</td></tr> </tbody> </table> <p>The lease will be on a triple-net basis, with the Master Tenant responsible for the property maintenance, land rent, property tax and insurance.</p> <p>A portion of the property, amounted to a net lettable area of approximately 8,181 sq.ft., is occupied by the Group.</p>	Year	Annual Net Rent (on 100% of the existing GFA)	1	S\$1,713,020	2	S\$1,713,020	3	S\$1,713,020	4	S\$1,747,281	5	S\$1,782,226	6	S\$1,817,871	7	S\$1,854,228	8	S\$1,891,313	9	S\$1,929,139	10	S\$1,967,722	19,500,000
Year	Annual Net Rent (on 100% of the existing GFA)																									
1	S\$1,713,020																									
2	S\$1,713,020																									
3	S\$1,713,020																									
4	S\$1,747,281																									
5	S\$1,782,226																									
6	S\$1,817,871																									
7	S\$1,854,228																									
8	S\$1,891,313																									
9	S\$1,929,139																									
10	S\$1,967,722																									

Notes:

1. PickJunction Pte. Ltd. is a wholly-owned subsidiary of the Company.
2. The Property is located along Eunon Avenue 7, bounded by Eunon Avenue 8A, off Sims Avenue. The locality is an established industrial estate with developments comprising a mixture of flatted warehouse/factory buildings, terrace workshops and purpose-built detached factories.
3. The registered lessor is Housing and Development Board and registered lessee is Singapore Handicrafts Pte Ltd.
4. The site of the Property is zoned as “Reserve Site” according to the Master Plan Zoning (2014 Edition). “Reserve site” in the Master Plan refers to areas where the specific use has yet to be determined.
5. The Property shall not to use or permit or suffer the said land or any building thereon to be used otherwise than as a factory for the manufacture of high quality rosewood furniture only except with the consent of the Lessor and subject to the approval of the Competent Authority appointed under Section 5 of the Planning Act. According to the Urban Redevelopment Authority, there is no planning decision on change of use.
6. Pursuant to the title search record, the Property is subject to, *inter alia*, the following encumbrance:
 - a. Mortgaged to Malayan Banking Berhad.
7. We have taken into consideration the HDB sales levy of 10%. According to the Variation of Lease referenced IC/515546E, the Lessor and the Lessee are not to demise, transfer, assign, mortgage, let, sublet, underlet, license or part with possession of the said land or any part thereof in whatsoever manner and not to effect any form of reconstruction howsoever brought about including any form of amalgamation or merger with or take-over by another company, firm or body or party, without first obtaining the written approval of the Lessor. Section 17 of the Conveyancing and Law of Property Act shall not apply. Any approval, if granted by the Lessor shall be given on such terms and conditions as the Lessor may in its entire and unfettered discretion deem fit to impose and shall include the levy of a transfer fee based on:
 - (i) 10% of the market value of the said land and the buildings that have been erected thereon at the time of application of such approval as assessed by the Lessor’s Valuers/Lessor; OR
 - (ii) 10% calculated on the difference between the resale price and the premium paid by the existing Lessee or last resale price paid by subsequent Lessee for the said land, and buildings thereon, whichever is lower;
 - (iii) Where the resale price is lower than the premium or last resale price paid for the said land and buildings thereon, an administrative fee of \$500/- (plus any Goods and Services Tax thereon)
8. Our valuation has been made on Direct Comparison Method (cross-check), Discounted Cash Flow Approach and Capitalisation Approach.

Capitalisation Approach

The capitalisation approach involves the determination of the gross full annual revenue less vacancy, outgoings, property tax and management fees to derive the net income of the Property. The net income is assumed to be a level of annuity in accordance with the tenure of the lease and is capitalised using an appropriate capitalisation rate derived, where possible, from the analysis of relevant sales evidence.

This method utilised the market rent which is capitalised in accordance to the tenure of the lease with appropriate adjustments for rental shortfalls and overages reflected as tenant reversions in the worksheet. The capital expenditure is capitalised and deducted to arrive at the capital value before the capital expenditure for the cyclical improvement works. Our calculations are on this basis.

We are adopting a capitalisation rate of 5.5% for the Property.

Discounted Cash Flow Approach

Under the Discounted Cash Flow Approach, the net operating income is discounted at an appropriate discount rate to arrive at the Market Value. The net income is derived by deducting from the gross income, the operating expenses incurred in the building maintenance and management of the Property and outgoings including property tax, utilities, insurance, and other related expenses such as letting up allowances and capital expenditure for repair and replacement.

We have undertaken a discounted cash flow analysis over a 10-year period. The projected net income is discounted to arrive at the present value. The terminal value of the Property is derived by capitalising the net income at the end of the 10th year and discounting it to give the present value. The 10 years discounted cash flow and present value of the terminal value will give rise to the capital value of the Property.

We are adopting a 7.5% discount rate taking into consideration the strategic location of the Property. We have adopted 5.75% terminal yield of the Property. This is 0.25% higher than the capitalisation rate to reflect the uncertainty, functional obsolescence and the risk associated with the remaining lease term.

Direct Comparison Approach

In arriving at our opinion of the market value of the Property, we have cross-checked our valuation with the direct comparison method with transactions of comparable properties within the vicinity and elsewhere.

In arriving at our valuation figure, we have identified and analysed various relevant sales evidence in the locality which have similar characteristic as the Property. These selected comparables are industrial properties located in Kaki Bukit Techpark, Defu Industrial Estate and Ang Mo Kio Industrial Estate, which were transacted in 2014 and 2016. The comparables are zoned for industrial use and completed in Circa 1990s whilst the Property is completed in Circa 1980s. The unit rate of the comparables range from S\$221/sq.ft. to S\$407/sq.ft. on gross floor area. We have taken into consideration of the prevailing market conditions and making due adjustments for differences between the Property and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of buildings, dates of transactions and other factors affecting their values to arrive at a unit rate of S\$287/sq.ft.

The unit rate of the Property which is in line with the unit rate of these comparables is within a reasonable range.

VALUATION CERTIFICATE

Group II — Property interests held for investment by the Group in Singapore

<u>No.</u>	<u>Property</u>	<u>Description and Tenure</u>	<u>Particulars of Occupancy</u>	<u>Market Value as at 30 September 2017</u> S\$
2	23 Woodlands Industrial Park E1 #04-02 Admiralty Industrial Park Singapore 757741	<p>A strata-titled factory unit located on the 4th storey of a 6-storey industrial building within an industrial development known as Admiralty Industrial Park.</p> <p>The Property is approximately 20 years old.</p> <p>The Property is located on Lot U48136L Mukim 13 with a strata floor area of 160 sq.m. (1,722 sq.ft.).</p> <p>The Property is held under leasehold for 60 years commencing from 9 January 1995.</p>	As advised, the Property is currently being tenanted at a total monthly rental of S\$3,010 with the lease expiring in November 2017 and February 2018.	500,000

Notes:

1. The subject development is located on the northern side of Woodlands Industrial Park E1. It forms part of the Admiralty Industrial Park which is bounded by Woodlands Avenue 8, Admiralty Road West and Woodlands Industrial Park E. The immediate vicinity comprises a mixture of standard flatted warehouse/factory buildings and purposes-built factories.
2. The registered proprietor is LHN Group Pte Ltd.
3. The site of the Property is zoned as “Business 2” with a plot ratio of 2.5 according to the Master Plan Zoning (2014 Edition). “Business 2” in the Master Plan refers to areas used or intended to be used for clean industry, light industry, general industry, warehouse, public utilities and telecommunication uses and other public installations. Special industries such as manufacture of industrial machinery, shipbuilding and repairing, may be allowed in selected areas subject to evaluation by the competent authority.
4. Our valuation has been made on Direct Comparison Approach and Income Approach (cross-check).

Direct Comparison Approach

In arriving at our opinion of the market value of the Property, we have based on direct comparison with recent transactions of comparable properties within the development.

In arriving at our valuation figure, we have identified and analysed various relevant sales evidence within the subject development. The selected comparables are located within the same development as the Property at Admiralty Industrial Park which were transacted in 2015, 2016 and 2017. They are general industrial strata-titled units on the low to middle storey building completed in Circa 1990s. The unit rate of the comparables range from S\$220/sq.ft. to S\$370/sq.ft. on strata floor area. We have taken into consideration of the prevailing market conditions and making due adjustments for differences between the Property and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of buildings, dates of transactions and other factors affecting their values to arrive at a unit rate of S\$290/sq.ft.

The unit rate of the Property which is in line with the unit rate of these comparables is within a reasonable range.

Income Approach

We have also cross-checked our valuation with the income approach. This method entails the estimation of the gross rental income less the necessary expenses such as property tax and service charge to derive a net rental income. This is then capitalised at an appropriate yield rate for the remaining period of the lease to arrive at the current market value.

VALUATION CERTIFICATE

Group II — Property interests held for investment by the Group in Singapore

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value as at 30 September 2017 S\$
3	100 Eunos Avenue 7 Singapore 409572	<p>The Property is a 5-storey single-user warehouse (self-storage), erected on a square plot of land at the access road level. The Property underwent renovation works in 4Q2015, which has been completed in 1Q2017.</p> <p>The Property is approximately 34 years old.</p> <p>The Property is located on Lot 2497N Mukim 23 with a site area of 2,526.1 sq.m. (27,191 sq.ft.)</p> <p>The Property has a gross floor area of approximately 6,315.25 sq.m. (67,977 sq.ft.).</p> <p>The Property is held under leasehold for 60 years commencing from 1 July 1980, with a land premium paid to the Lessor.</p>	<p>Apart from portions of the Property comprising units with a total gross floor area of approximately 2,234.23 sq.m. (24,049 sq.ft.), will be leased to PickJunction Pte. Ltd. until 30 September 2020, for a total monthly rent of S\$84,171.50, the remaining Property is vacant.</p>	20,000,000

Notes:

1. PickJunction Pte. Ltd. is a wholly-owned subsidiary of the Company.
2. The Property is located Eunos Avenue 7, bounded by Eunos Avenue 8A, off Sims Avenue. It is approximately 9 km from the city centre at Collyer Quay. The locality is an established industrial estate with developments comprising a mixture of flatted warehouse/factory buildings, terrace workshops and purpose-built detached factories.
3. The registered lessor is Housing and Development Board and registered lessee is Work Plus Store Pte Ltd.
4. The site of the Property is zoned as “Reserve Site” according to the Master Plan Zoning (2014 Edition). “Reserve site” in the Master Plan refers to areas where the specific use has yet to be determined.
5. The Property shall not to use or permit or suffer the said land or any building thereon to be used otherwise than for their own occupation and use as “Self-storage and ancillary office” only, except with the consent in writing of the Lessor and subject to the approval of the competent and other authorities appointed under Section 5 of the Planning Act (Chapter 232) or otherwise;

Except for the permitted use in the Clause above, not to use the said land or any building thereon to conduct any commercial activities or for independent office and/or commercial use.

6. Pursuant to the title search record, the Property is subject to, *inter alia*, the following encumbrance:
 - a. Mortgaged to RHB Bank Berhad.
7. As advised by the Group, there is no imposition of a 10% sales levy clause indicated in the HDB Lease in the event of property sale. As such we have valued the Property on this basis. However, we reserve the right to review our valuation should there be changes in the circumstances surrounding this sales levy.
8. Our valuation has been made on Direct Comparison Method (cross-check), Discounted Cash Flow Approach and Capitalisation Approach.

Capitalisation Approach

The capitalisation approach involves the determination of the gross full annual revenue less vacancy, outgoings, property tax and management fees to derive the net income of the Property. The net income is assumed to be a level of annuity in accordance with the tenure of the lease and is capitalised using an appropriate capitalisation rate derived, where possible, from the analysis of relevant sales evidence.

This method utilised the market rent which is capitalised in accordance to the tenure of the lease with appropriate adjustments for rental shortfalls and overages reflected as tenant reversions in the worksheet. The capital expenditure is capitalised and deducted to arrive at the capital value before the capital expenditure for the cyclical improvement works. Our calculations are on this basis.

We are adopting a capitalisation rate of 5.75% for the Property.

Discounted Cash Flow Approach

Under the Discounted Cash Flow Approach, the net operating income is discounted at an appropriate discount rate to arrive at the Market Value. The net income is derived by deducting from the gross income, the operating expenses incurred in the building maintenance and management of the Property and outgoings including property tax, utilities, insurance, and other related expenses such as letting up allowances and capital expenditure for repair and replacement.

We have undertaken a discounted cash flow analysis over a 10-year period. The projected net income is discounted to arrive at the present value. The terminal value of the Property is derived by capitalising the net income at the end of the 10th year and discounting it to give the present value. The 10 years discounted cash flow and present value of the terminal value will give rise to the capital value of the Property.

We are adopting a 7.5% discount rate taking into consideration the strategic location of the Property. We have adopted 6% terminal yield of the Property. This is 0.25% higher than the capitalisation rate to reflect the uncertainty, functional obsolescence and the risk associated with the remaining lease term.

Direct Comparison Approach

In arriving at our opinion of the market value of the Property, we have cross-checked our valuation with the direct comparison method with transactions of comparable properties within the vicinity and elsewhere.

In arriving at our valuation figure, we have identified and analysed various relevant sales evidence in the locality which have similar characteristic as the Property. These selected comparables are industrial properties located in Kaki Bukit Techpark, Defu Industrial Estate and Ang Mo Kio Industrial Estate, which were transacted in 2014 and 2016. The comparables are zoned for industrial use and completed in Circa 1990s whilst the Property is completed in Circa 1980s. The unit rate of the comparables range from S\$221/sq.ft. to S\$407/sq.ft. on gross floor area. We have taken into consideration of the prevailing market conditions and making due adjustments for differences between the Property and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of buildings, dates of transactions and other factors affecting their values to arrive at a unit rate of S\$294/sq.ft.

The unit rate of the Property which is in line with the unit rate of these comparables is within a reasonable range.

VALUATION CERTIFICATE

Group III — Property interest held for investment by the Group in Indonesia

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value as at 30 September 2017 Rp
4	Strata-titled office space at 38th floor of Eighty-Eight Building at Kota Kasablanka	<p>The Property comprises a strata-titled office space on the 38th floor of a 39-storey office building with 4 level basement parking completed in 2013.</p> <p>The Property has a semi gross area of approximately 1,737 sq.m. (18,697 sq.ft.) and net lettable area of approximately 1,563 sq.m. (16,824 sq.ft.).</p> <p>Currently, the legal documents of the Property are four Binding Sale and Purchase Agreements (Perjanjian Pengikatan Jual Beli-PPJB) including their addendums, dated 1st July 2013 between PT Hean Nerng Group as the buyer and PT. Elite Prima Utama as the seller/building developer/owner of super block construction project consisting of apartment (flat), office tower (office building), and mall (shopping center) known as “Kota Kasablanka”.</p>	The Property is currently used as a service office known as “The Green Hub”.	65,760,000,000

Notes:

1. PT Hean Nerng Group (“PT HN Group”) is a wholly-owned subsidiary of the Company.
2. The Property is located at 38th floor of Eighty-Eight Building at Kota Kasablanka, located at Jalan Casablanca Raya Kav. 88, Sub-District of Tebet, District of Menteng Dalam, City of South Jakarta, Province of DKI Jakarta — Country of Indonesia.
3. Semi gross area, shall mean the net area of relevant office unit plus mutual part on relevant floor, except lift and emergency ladder that will be calculated pursuant to the proportional value of each of the office units on relevant floor.
4. The site of the Property is zoned as Office, Trade, and Services according to Town Planning Map of DKI Jakarta (Rencana Detail Tata Ruang Kota-RDTRK) in appendix of Local Regulation No. 1/2014.
5. As at the Latest Practicable Date, PT HN Group has not obtained the strata title certificates (the “STCs”), which represent the legal title of real estate, for the Units purchased by PT HN Group. According to the PPJBs, the Developer shall deliver the STCs to PT HN Group by 15 May 2018. However, based on the information provided by the Developer, there may be a potential postponement of the delivery of the STCs. As advised by the Company’s legal advisers as to Indonesia law, this will not affect PT HN Group’s contractual rights under the PPJBs to, amongst others, (i) physically possess the Units and conduct their

business of leasing the Units, (ii) obtain a refund of the selling price of the Units if the Developer defaults, and (iii) assign or transfer their rights with respect to the Units under the PPJBs. The Company's legal advisers as to Indonesia law, Dau & Tuah, are of the view that delivery of the STCs is a standard administrative process that applies to all purchasers of the same development, and that there no legal impediments to delivery of the STCs provided that the Developer complies with (i) all its obligations under the PPJBs, and (ii) all local laws, regulations and policy requirements imposed by the local Indonesian authorities. Further, PT HN Group has fulfilled all its legal obligations under the PPJBs including full payment of the purchase price, and PT HN Group has confirmed that it has not defaulted on any of its legal obligations under the PPJBs.

6. We assume that the authority will issue a proper strata-title certificate for the Property. It is the market practice to value the Property as a strata titled office as it is ready for occupation and work activities to be carried out in the premises even though the strata-title certificate will be issued at a later date. This is a common situation of newly completed strata title properties in Indonesia. It is not uncommon that a buyer is willing to purchase the rights with respect of a newly completed strata-title property at the market value.
7. Our valuation has been made on Direct Comparison Method. The comparable properties selected for our valuation of the Property include both properties with and without strata title certificates issued, and there is no material difference in the unit rates of the Property, the comparable properties without issued strata title certificates, and other comparable strata-titled properties.

Direct Comparison Approach

In arriving at our opinion of market value of the Property, we have adopted the direct comparison method of comparable properties within the vicinity.

We have identified various sales evidence of strata-titled office buildings in the vicinity that have similar characteristics as the Property i.e. (1) an office unit located in the same building as the Property (the Eighty-Eight Building — Kota Kasablanka) with a selling price of Rp.38,000,000/sq.m., (2) an under-construction strata-titled office building called the Unity Square, which is located in the same complex of Kota Kasablanka with a selling price of Rp.39,000,000/sq.m., (3) a strata-titled office called Pertiwi Building in-Mega Kuningan CBD which is located about 2.25 kilometers to the south-west with a selling price of 39,900,000/sq.m., (4) a strata-titled office called AXA Tower at Jalan Dr. Satrio which is situated about 1.5 kilometers to the west with a selling price of Rp.42,750,000/sq.m., and (5) a strata-titled office called Ciputra World 2 Tower 1 at Jalan Dr. Satrio which is about 2.5 kilometers to the west with a selling price of Rp.45,000,000/sq.m.

In our analysis, there are some differences between the Property and these market data in terms of location, unit floor size, and building quality. Therefore, in this valuation, we have made the necessary adjustments to bring equality in the comparison. If the comparable data has better location then we will give discount to the Property value, and will give premium if otherwise. If the comparable data has larger unit floor size then we will give discount to the Property Value, and will give premium if otherwise. If the comparable data has better building quality or is a newer building then we will give discount to the Property value, and will give premium if otherwise.

After making these adjustments, we arrived at an indicative value of Rp.37,861,250/sq.m. for the Property.

APPENDIX IV SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND SALIENT PROVISIONS OF THE LAWS OF SINGAPORE

This Appendix contains a summary of the Constitution of the Company. As the information set out below is in summary form, it does not contain all of the information that may be important to potential investors.

Set out below is a summary of certain provisions of the Constitution of the Company and salient provisions of the laws of Singapore applicable to a Singapore incorporated company. The Company was incorporated in Singapore under the Singapore Companies Act as a private company limited by shares on 10 July 2014. It was converted to a public company limited by shares on 16 March 2015.

The Constitution was adopted by special resolution of the Shareholders passed on 25 September 2017 to take effect on the day the Shares of the Company are first traded on the Hong Kong Stock Exchange.

A. CONSTITUTION OF OUR COMPANY

The discussion below provides information about certain provisions of the Company's Constitution. A summary of the salient provisions of the laws of Singapore is set out in the section entitled "**Salient Provisions of the Laws of Singapore**" below. This description is only a summary and is qualified by reference to Singapore law and the Constitution. The instrument that constitutes and defines the Company is the Constitution of the Company.

The capitalised terms in the summary of the Company's Constitution in this Appendix IV shall be defined as follows:

"Act"	The Singapore Companies Act.
"book-entry securities"	Listed securities: <ul style="list-style-type: none">(a) documents evidencing title to which are deposited by a Depositor with the CDP or a clearing house (as the case may be) and are registered in the name of the CDP or a clearing house or their respective nominees; and(b) which are transferable by way of book-entry in the Depository Register and not by way of an instrument of transfer.
"CDP"	The Central Depository (Pte) Limited or any other corporation approved by the Monetary Authority of Singapore as a depository company or corporation for the purposes of the Singapore Securities and Futures Act, which operates the Central Depository System for the holding and transfer of book-entry securities.

APPENDIX IV SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND SALIENT PROVISIONS OF THE LAWS OF SINGAPORE

“Chief Executive Officer”	<p>Any one or more persons, by whatever name described, who</p> <ul style="list-style-type: none">(a) is in direct employment of, or acting for, or by arrangement with, the Company; and(b) is principally responsible for the management and conduct of the business of the Company, or part of the business of the Company, as the case may be.
“clearing house”	<p>A clearing house recognised by the laws of the jurisdiction in which the shares of our Company are listed or quoted on a stock exchange in such jurisdiction.</p>
“Depositor”	<p>A Depository Agent or a Direct Account Holder to the balance of whose Securities Account any shares are credited, but excluding a sub-account holder.</p>
“Depository Agent”	<p>A member of the Singapore Exchange Securities Trading Limited, a trust company (licensed under the Trust Companies Act (Chapter 336) of Singapore), a bank licensed under the Banking Act (Chapter 19) of Singapore, any merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Chapter 186) of Singapore, or any other person or body approved by CDP who or which:</p> <ul style="list-style-type: none">(a) performs services as a depository agent for sub-account holders in accordance with the terms of a depository agent agreement entered into between CDP and the Depository Agent;(b) deposits book-entry securities with CDP on behalf of the sub-account holders; and(c) establishes an account in its name with CDP.
“Depository Register”	<p>A register maintained by CDP or a clearing house (as the case may be) in respect of book-entry securities.</p>

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“Designated Stock Exchange”	The Singapore Exchange Securities Trading Limited for so long as the shares of the Company are listed and quoted on the Singapore Exchange Securities Trading Limited, The Stock Exchange of Hong Kong Limited for so long as the shares of the Company are listed and traded on The Stock Exchange of Hong Kong Limited and/or such other stock exchange in respect of which the shares of the Company are listed or quoted.
“Direct Account Holder”	A person who has a securities account directly with CDP or a clearing house (as the case may be) and not through a Depository Agent.
“Director”	Includes any person occupying the position of director of the Company by whatever name called and includes a person in accordance with whose directions or instructions the directors or the majority of the directors of the Company are accustomed to act and an alternate or substitute director.
“Directors”	The directors of the Company for the time being, as a body or as a quorum present at a meeting of directors.
“General Meeting”	A general meeting of the Company.
“in writing”	Written or produced by any substitute for writing or partly one and partly the other and shall include (except where otherwise expressly specified in these presents or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Statutes) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.
“market day”	A day on which the Singapore Exchange Securities Limited is open for trading in securities.
“Member”	A member of the Company, save that references in these presents to “Member(s)” shall where the Act requires, exclude the Company where it is a member by reason of its holding of its shares as treasury shares.

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“month”	Calendar month.
“Office”	The registered office of the Company for the time being.
“Ordinary Resolution”	Shall have the meaning ascribed to it in the Act.
“paid”	Paid or credited as paid.
“These presents”	This Constitution as from time to time amended.
“Register of Members”	The Company’s register of Members and where applicable, any branch register of Members to be maintained at such place within or outside Singapore as the Directors shall determine from time to time.
“registered address” or “address”	Means, in relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in these presents.
“Registration Office”	In respect of any class of share capital, such place as the Directors may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Directors otherwise direct) the transfers or other documents or titles for such class of share capital are to be lodged for registration and are to be registered.
“Seal”	The common seal of the Company.
“Secretary”	Any person appointed by the Directors to perform any of the duties of the Secretary or where two or more persons are appointed to act as Joint Secretaries any one of those persons.
“Securities Account”	The securities account maintained by a Depositor with CDP or a clearing house (as the case may be).
“shares”	Shares in the capital of the Company.
“Special Resolution”	Shall have the meaning ascribed to it in the Act.

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“Statutes” The Singapore Companies Act, the Singapore Securities and Futures Act and every other written law for the time being in force concerning companies and affecting the Company, including but not limited to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as applicable).

“year” Calendar year.

The expressions “current address”, “electronic communication”, “relevant intermediary” and “treasury shares” shall have the meanings ascribed to them respectively in the Act.

The expressions “close associate” and “corporate communication” shall have the meaning ascribed to them respectively in the Listing Rules, as amended or supplemented from time to time.

(a) Liability of Members

Regulation 5

The liability of the Members is limited.

(b) objects

Regulation 4

Subject to the provisions of the Act and any other written law and these presents, the Company has:

- (A) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
- (B) for these purposes, full rights, powers and privileges.

(c) Directors

(i) *Director's power to vote on a proposal, arrangement or contract in which the Director is interested*

Regulation 112

112. A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his close associates has a material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(ii) *Director's duty to disclose his interest in contracts with the Company*

Regulation 86

86. A Director may be party to or be in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

Regulation 89

89. Subject to Regulation 92, a Director or Chief Executive Officer (or person(s) holding an equivalent position) who is in any way whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors or send a written notice to the Company containing details on the nature, character and extent of his interest in the transaction or proposed transaction in accordance with the Statutes and the listing rules of the Designated Stock Exchange.

Regulation 90

90. Subject to Regulation 92, a Director or Chief Executive Officer (or person(s) holding an equivalent position) who holds any office or possesses any property whereby directly or indirectly duties or interests might be created in conflict with his duties or interests as Director or Chief Executive Officer (or persons(s) holding an equivalent position), shall declare the fact and the nature, character and extent of the conflict at a meeting of the Directors of the Company or send a written notice to the Company setting out the fact and the nature, character and extent of the conflict in accordance with the Statutes and listing rules of the Designated Stock Exchange.

Regulation 91

91. A Director may hold any office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as a vendor, purchaser or otherwise. No such contract and no such arrangement entered into by or on behalf of the Company in which any Director is in any way interested shall be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

Regulation 92

92. Every Director and Chief Executive Officer (or person(s) holding an equivalent position) shall observe the provisions of the Statutes and listing rules of the Designated Stock Exchange relating to the disclosure of the interests of the Directors and Chief Executive Officers (or person(s) holding an equivalent position) in transactions or proposed transactions with the Company or of any office or property held by a Director or a Chief Executive Officer (or person(s) holding an equivalent position) which might create duties or interests in conflict with his duties or interests as a Director or a Chief Executive Officer (or an equivalent position), as the case may be.

Regulation 112

112 Every Director shall observe the provisions of the Statutes and listing rules of the Designated Stock Exchange relating to the disclosure of interests of the Directors in transactions or proposed transactions with the Company or of any office or property possessed by a Director which might create duties or interests in conflict with his duties or interests as a Director.

- (iii) *Director’s power to vote on remuneration (including pension or other benefits) for himself or for any other Director, and whether the quorum at a meeting of the Board of Directors to vote on the Director’s remuneration may include the Director whose remuneration is the subject of the vote***

Regulation 82

82. The ordinary remuneration of the Directors, which shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. The ordinary remuneration of an executive Director may not include a commission on or a percentage of turnover and the ordinary remuneration of a non-executive Director shall be a fixed sum, and not by a commission on or a percentage of profits or turnover.

Regulation 83

83. Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine, Provided that such extra remuneration (in case of an executive Director) shall not be by way of commission on or a percentage of turnover.

Regulation 84

84. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company.

Regulation 85

85. The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

Regulation 112

112 A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his close associates has a material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(iv) *Borrowing powers exercisable by the Directors and how such borrowing powers can be varied*

Regulation 120

120. Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) *Appointment of Directors*

Regulation 98

98. The Company may by Ordinary Resolution appoint any person to be a Director either as an additional Director or to fill a casual vacancy. Without prejudice thereto the Directors shall also have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number fixed by or in accordance with these presents. Any person so appointed by the Directors shall hold office only until the next General

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Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Regulation 99

99. At each Annual General Meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, Provided that all Directors shall retire from office at least once every three years. If an independent non-executive Director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders of the Company at a General Meeting.

Regulation 100

100. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by ballot. A retiring Director shall be eligible for re-election.

Regulation 101

101. The Company at a General Meeting at which a Director retires under any provision of these presents may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default, the retiring Director shall be deemed to have been re-elected except in any of the following cases:
- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or
 - (b) where such Director is disqualified under the Statutes from holding office as Director or where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
 - (c) where such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or

- (d) where the default is due to the moving of a resolution in contravention of the next following Regulation;

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

Regulation 103

103. No person other than a Director retiring at a General Meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless after the day of despatch of the notice of the meeting but not less than eleven clear days (i.e. exclusive of the date on which the notice is given as well as the date of the Meeting) before the date appointed for the meeting there shall have been lodged at the Office, a notice in writing signed by some Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and a notice in writing signed by the person to be proposed giving his consent to the nomination and signifying his candidature for the office, Provided that in the case of a person recommended by the Directors for election, not less than nine clear days' notice (i.e. exclusive of the date on which the notice is given as well as the date of the meeting) lodged no earlier than the day after the despatch of the notice of the meeting shall be necessary and notice of each and every such person proposed shall be served on the Members at least seven days prior to the meeting at which the election is to take place.

(vi) *Vacation of office/Rotation of Directors*

Regulation 104

104. The office of a Director shall be vacated in any of the following events, namely:

- (a) if he shall become prohibited or disqualified by law from acting as a Director; or
- (b) if he shall become disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or

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- (c) if (not being a Director holding any executive office for a fixed term) he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer; or
- (d) if he shall become bankrupt or have a receiving order made against him or shall make arrangement or composition with his creditors generally; or
- (e) if he becomes mentally disordered and incapable of managing himself or his affairs, or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
- (f) is absent, for more than six months and without leave of the Directors, from meetings of the Directors held during that period; or
- (g) if he is removed by the Company in General Meeting pursuant to these presents.

Regulation 99

99. At each Annual General Meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, Provided that all Directors shall retire from office at least once every three years. If an independent non-executive Director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders of the Company at a General Meeting.

Regulation 100

100. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by ballot. A retiring Director shall be eligible for re-election.

Regulation 101

101. The Company at a General Meeting at which a Director retires under any provision of these presents may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default, the retiring Director shall be deemed to have been re-elected except in any of the following cases:

- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or
- (b) where such Director is disqualified under the Statutes from holding office as Director or where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) where such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or
- (d) where the default is due to the moving of a resolution in contravention of the next following Regulation;

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

(vii) *Holding of Shares by way of qualification*

Regulation 81

81. A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at General Meetings.

(d) *Alteration of Capital*

Regulation 14

14. (A) The Company may by Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital;

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- (b) sub-divide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes and these presents), Provided Always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived;
 - (c) subject to the provisions of the Statutes and these presents, convert its share capital or any class of shares from one currency to another currency; and/or
 - (d) cancel the number of shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled.
- (B) Subject to the Statutes and the listing rules of the Designated Stock Exchange, the Company may by Special Resolution, subject to and in accordance with the Statutes, convert one class of shares into another class of shares.

Regulation 15

15. (A) The Company may by Special Resolution reduce its share capital or any other undistributable reserve in any manner permitted, and with, and subject to, any incident authorized, and consent or confirmation required, by law.
- (B) The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the Statutes and the listing rules of the Designated Stock Exchange, on such terms and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Statutes and the listing rules of the Designated Stock Exchange. In the case of purchases of redeemable shares, purchases not made through the market or by tender shall, subject to the provisions of the Act and the listing rules of the Designated Stock Exchange, be limited to a maximum price and if purchases are by tender, tenders shall be available to all Members holding redeemable shares in the Company alike. If required by the Statutes and the listing rules of the Designated Stock Exchange, any shares purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Statutes and the listing rules of the Designated Stock Exchange. Without prejudice to the generality of the foregoing, upon cancellation of any share

purchased or otherwise acquired by the Company pursuant to these presents and the Statutes, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

(e) Amendment of Constitution

Regulation 163

No Regulation shall be rescinded, altered or amended and no new Regulation shall be made until the same has been approved by a Special Resolution of the Members. A Special Resolution shall be required to alter the provisions of the Regulation, or to change the name of the Company and as permitted in the circumstances provided under the Statutes.

(f) Issue of Shares

There are generally no restrictions on ownership of securities of the Company.

Regulation 6

6. (A) The rights attaching to shares of a class other than ordinary shares shall be expressed in these presents.
- (B) The Company may issue shares for which no consideration is payable to the Company.

Regulation 7

7. (A) Subject to the Statutes and to these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting, but subject thereto and the terms of such approval, and to Regulation 9, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards dividend, return of capital, participation in surplus, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, Provided Always that (i) no options

shall be granted over unissued shares except in accordance with the Act and the Designated Stock Exchange's listing rules and (ii) the total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time.

- (B) The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
- (C) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be issued subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.
- (D) If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.

Regulation 9

- 9. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except permitted by the listing rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Regulation.

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(B) Notwithstanding Regulation 9(A) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:

- (a) (i) issue shares whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided that:

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Designated Stock Exchange;
- (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Designated Stock Exchange for the time being in force (unless such compliance is waived by the Designated Stock Exchange) and these presents; and
- (3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).

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- (C) The Company may, notwithstanding Regulations 9(A) and 9(B) above, authorize the Directors not to offer new shares to Members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members on such terms and conditions as the Company may direct.

Regulation 12

12. (A) Preference shares may be issued subject to such limitation thereof as may be prescribed by any Designated Stock Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports, balance sheets and financial statements and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the General Meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months (or such period which may be prescribed or waived by any applicable law or any Designated Stock Exchange) in arrears.
- (B) The Company has the power to issue further preference capital ranking equally with, or in priority to, preference shares already issued, subject to the provisions of these presents.

(g) Transfer of Shares

Regulation 36

36. All transfers of shares shall be effected by written instruments of transfer in the form for the time being approved by the Directors and the Designated Stock Exchange. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed or, if the transferor or transferee is the CDP or a clearing house or their respective nominee(s), signed by hand or by machine imprinted signature or by such other manner of execution as the Directors may approve from time to time, Provided Always that an instrument of transfer in respect of which the transferee is the CDP or a clearing house shall be effective although not signed or witnessed by or on behalf of the CDP or a clearing house, or if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Directors may approve from time to time. The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

Regulation 39

39. (A) There shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.
- (B) The Directors may decline to register any instrument of transfer unless:
- (a) a maximum fee of the lower of S\$2.00 or the relevant maximum amount as the Designated Stock Exchange may from time to time determine or such other fees as the Directors may from time to time determine is paid to the Company in respect thereof;
 - (b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;
 - (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if stamp duty is payable on such instrument of transfer in accordance with any law for the time being in force relating to stamp duty), the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
 - (d) the instrument of transfer is in respect of only one class of shares.
- (C) No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered but nothing herein contained shall be construed as imposing on the company any liability in respect of the registration of such transfer if the company has no actual knowledge of the same.

- (D) Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

Regulation 40

40. All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.

(h) Variation of Rights of Existing Shares or Classes of Shares

Regulation 13

13. (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(4) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not

obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

- (B) The provisions in Regulation 13(A) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.
- (C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

(i) Special Resolution

(i) *Variation of rights*

Regulation 13

13. (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(4) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-

quarters of the total number of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

- (B) The provisions in Regulation 13(A) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.
- (C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

(ii) *Company may convert one class of shares into another class of shares*

Regulation 14(B)

- (B) Subject to the Statutes and the listing rules of the Designated Stock Exchange, the Company may by Special Resolution, subject to and in accordance with the Statutes, convert one class of shares into another class of shares.

(iii) *Notice of meeting*

Regulation 53

53. Any Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the General Meeting is to be held and shall be given in manner hereinafter mentioned to all Members other than such as are not under the provisions of these presents entitled to receive such notices from the Company, Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:
- (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and

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- (b) in the case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the Members having a right to vote at thereat;

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Designated Stock Exchange, Provided Always that in the case of any Extraordinary General Meeting at which it is proposed to pass a Special Resolution, at least twenty-one days' notice in writing of such Extraordinary General Meeting shall be given to the Designated Stock Exchange and by advertisement in the daily press.

(iv) *Winding up*

Regulation 158

158. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the Members *in specie* or in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members of different classes of Members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(v) *Amendments of Regulations*

Regulation 163

163. No Regulation shall be rescinded, altered or amended and no new Regulation shall be made until the same has been approved by a Special Resolution of the Members. A Special Resolution shall be required to alter the provisions of the Regulation, or to change the name of the Company and as permitted in the circumstances provided under the Statutes.

(j) Voting Rights

Regulation 63

63. (A) If required by the listing rules of the Designated Stock Exchange, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Designated Stock Exchange). If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same General Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the chairman be of sufficient magnitude.
- (B) Subject to Regulation 63(A), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (a) the chairman of the meeting; or
 - (b) not less than five Members present in person or by proxy and entitled to vote; or
 - (c) any Member present in person or by proxy, or where such a Member has appointed two proxies any one of such proxies, or any number or combination of such Members or proxies, holding or representing as the case may be not less than five per centum of the total voting rights of all the Members having the right to vote at the General Meeting; or
 - (d) any Member present in person or by proxy, or where such a Member has appointed two proxies any one of such proxies, or any number or combination of such Members or proxies, holding shares conferring a right to vote at the General Meeting, of which an aggregate sum has been paid up equal to not less than five per centum of the total sum paid on all the share conferring that right,

Provided Always that no poll shall be demanded on the choice of the chairman of the meeting or on a question of adjournment. A demand for a poll may be withdrawn only with the approval of the meeting.

Regulation 64

64. Unless a poll is required, a declaration by the chairman of the General Meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) as the chairman of the General Meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if required by the listing rules of the Designated Stock Exchange or if so directed by the General Meeting shall) appoint scrutineers (and (i) at least one scrutineer shall be appointed for each general meeting and the appointed scrutineer(s) shall be independent of the persons undertaking the polling process; and (ii) the appointed scrutineer(s) shall (a) ensure that satisfactory procedures of the voting process are in place before the general meeting and (b) direct and supervise the count of the votes cast through proxy and in person) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

Regulation 65

65. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands or poll takes place shall be entitled to a casting vote.

Regulation 66

66. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the chairman of the Meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the General Meeting for the transaction of any business other than the question on which the poll has been demanded.

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Regulation 67

67. Subject to Regulation 8, each Member entitled to vote may vote in person or by proxy.
- (A) On a show of hands every Member who is present in person or by proxy shall have one vote (provided that):
- (a) in the case of a Member who is not a relevant intermediary or a clearing house (or its nominee(s)) and who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the chairman of the General Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands;
 - (b) in the case of a Member who is a relevant intermediary or a clearing house (or its nominee(s)) and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.
- (B) On a poll every Member who is present in person or by proxy shall have one vote for every share which he holds or represents.

For the purposes of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the references to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by CDP or a clearing house to the Company. A Member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a Member, or attend, vote or act at any General Meeting.

Regulation 68

68. (A) In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.
- (B) If a Member be a lunatic, idiot or non-compos mentis, he may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, provided that

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such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office or Registration Office not less than 72 hours before the time appointed for holding the meeting.

Regulation 69

69. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such Member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by Membership in relation to General Meetings.

Regulation 70

70. (A) No Member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by Membership in relation to General Meetings if any call or other sum payable by him to the Company in respect of such shares remains unpaid.
- (B) Where the Company has knowledge that any Member is, under the listing rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

Regulation 71

71. No objection shall be raised as to the admissibility of any vote except at the General Meeting or adjourned General Meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the General Meeting whose decision shall be final and conclusive.

Regulation 72

72. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

(k) General Meetings

Regulation 51

51. Save as otherwise permitted by the Act, an Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings. The interval between the close of a financial year of the Company and the date of the Company's annual general meeting Annual General Meeting shall not exceed such period as may be prescribed by the Designated Stock Exchange from time to time. If required by the listing rules of the Designated Stock Exchange, all general meetings shall be in Singapore, unless such requirement is waived by the Designated Stock Exchange.

Regulation 52

52. The Directors may whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened by such requisition or, in default may be convened by such requisitionists, in accordance with the provision of the Statutes.

(l) Proxies

Regulation 73

73. (A) Save as otherwise provided in the Statutes:

- (a) A Member who is not a relevant intermediary or a clearing house (or its nominee(s)) shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting; and
- (b) A Member who is a relevant intermediary or a clearing house (or its nominee(s)) is entitled and may appoint more than two proxies to attend, speak and vote at the same General Meeting.

(B) In any case where a Member is a Depositor, the Company shall be entitled and bound:

- (a) to reject any instrument of proxy lodged if the Depositor, is not shown, to have any shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by CDP or a clearing house to the Company; and

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- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered into against the name of that Depositor in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by CDP or a clearing house to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- (C) Where a Member who is not a relevant intermediary or a clearing house (or its nominee(s)) appoints more than one proxy, the Member shall specify the proportion of his shares to be represented by each such proxy in the form of proxy, failing which the nomination shall be deemed to be alternative.
- (D) Where a Member who is a relevant intermediary or a clearing house (or its nominee(s)) appoints more than two proxies, each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (E) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by the notes (if any) set out in the instrument of proxy.
- (F) A proxy need not be a Member of the Company.

Regulation 74

- 74. (A) An instrument appointing a proxy for any Member shall be in writing in any usual or common form or in any other form which the Directors may approve (provided that this shall not preclude the use of the two-way form) and:
 - (a) in the case of an individual Member, (i) shall be signed by the Member or his attorney duly authorised in writing if the instrument of proxy is delivered personally or sent by post, or (ii) authorised by that Member through such method and in such manner as may be approved by the Directors, if the instrument is submitted via electronic communication; and

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- (b) in the case of a Member which is a corporation shall be (i) either given under the Member's common seal or signed on its behalf by an attorney duly authorised in writing or a duly authorized officer of the corporation if the instrument of proxy is delivered personally or sent by post, or (ii) authorised by the Member through such method and in such manner as may be approved by the Directors, if the instrument is submitted via electronic communication.

The Directors may for the purposes of Regulations 69(A)(a)(ii) and 69(A)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

- (B) The signatures on, or authorisation of, an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a Member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Regulation, failing which the instrument of proxy may be treated as invalid.

- (C) The Directors may, in their absolute discretion:

- (a) approve the method and manner of an instrument appointing a proxy to be authorised; and
- (b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in the Regulations 69(A)(a)(ii) and 69(A)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Regulation 69(A)(a)(i) and/or (as the case may be) Regulation 69(A)(b)(i) shall apply.

Regulation 75

75. (A) An instrument appointing a proxy

- (a) if sent personally or by post, must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting (or, if no place is so specified, at the Office or Registration Office); or

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(b) subject always to Regulation 152, if submitted by electronic communications, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting,

and in either case not less than 72 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The deposit of an instrument appointing a proxy does not preclude the Member concerned from attending and voting in person at the General Meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy or proxies is deemed to be revoked by the Member concerned at the point when the Member attends the General Meeting.

(B) The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the General Meeting as for the meeting to which it relates, Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

Regulation 76

76. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the General Meeting.

Regulation 77

77. A vote cast by proxy shall not be invalidated by the previous death or mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, mental disorder or revocation shall have been received by the Company at the Office or Registration Office at least one hour before the commencement of the General Meeting or adjourned General Meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

Regulation 78

78. Subject to these presents and the Statutes, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

Regulation 78A

78A. If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives or proxies at any meeting of the Company or at any meeting of any class of Members provided always that, if more than one person is so authorised, the authorisation or proxy form shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Regulation 78A shall be deemed to have been duly authorised without the need to produce any further documents of title, notarised authorisation and/or other evidence of fact to substantiate that such person is duly authorised, and shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)).

(m) Financial Statements

Regulation 147

147. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes, shall be kept at the Office or at such other place as the Directors think fit. No Member of the Company (other than a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorized by the Directors.

Regulation 148

148. The Directors shall from time to time, in accordance with the provisions of the Statutes, cause to be prepared and to be laid before the Company in General Meeting such financial statements, balance-sheets, group accounts (if any) and any reports and documents as may be prescribed by the Statutes. The interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four months (or such other period as may be permitted by the Statutes).

Regulation 149

149. A copy of (i) the Directors' report (or statement), and (ii) the financial statements and, if required, the balance sheet (including every document required by law to be comprised therein or attached or annexed thereto) which is duly audited, which are to be laid before a General Meeting of the Company (accompanied by a copy of the Auditor's report thereon), shall not less than twenty-one days before the date of the meeting be delivered or sent by post to the registered address of every Member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of General Meetings under the provisions of the Statutes or of these presents, Provided that

- (a) these documents may, subject to the listing rules of the Designated Stock Exchange, be sent less than 14 days before the date of the meeting if all persons entitled to receive notices of meetings from the Company so agree;
- (b) this Regulation shall not require a copy of these documents to be sent to more than one of any joint holders or to any person of whose address the Company is not aware, but any Member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

Regulation 149A

149A. Such number of each document as is referred to in Regulation 149 or such other number as may be required by the Designated Stock Exchange shall be forwarded to the Designated Stock Exchange at the same time as such documents are sent to the Members.

(n) Notices of Meeting and Business to be conducted thereat

Regulation 53

53. Any Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the General Meeting is to be held and shall be given in manner hereinafter mentioned to all Members other than such as are not under the provisions of these presents entitled to receive such

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notices from the Company, Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

- (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
- (b) in the case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the Members having a right to vote at thereat;

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Designated Stock Exchange, Provided Always that in the case of any Extraordinary General Meeting at which it is proposed to pass a Special Resolution, at least twenty-one days' notice in writing of such Extraordinary General Meeting shall be given to the Designated Stock Exchange and by advertisement in the daily press.

Regulation 54

- 54. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a Member of the Company.
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

Regulation 55

- 55. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:
 - (a) declaring dividends;
 - (b) receiving and adopting the financial statements, the Directors' report (or statement), Auditor's report and other documents required to be attached or annexed to the financial statements;
 - (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

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- (d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);
- (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
- (f) fixing Directors' fees.

Regulation 56

56. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

(o) Power to Repurchase Shares

Regulation 15 (B)

(B) The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the Statutes and the listing rules of the Designated Stock Exchange, on such terms and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Statutes and the listing rules of the Designated Stock Exchange. In the case of purchases of redeemable shares, purchases not made through the market or by tender shall, subject to the provisions of the Act and the listing rules of the Designated Stock Exchange, be limited to a maximum price and if purchases are by tender, tenders shall be available to all Members holding redeemable shares in the Company alike. If required by the Statutes and the listing rules of the Designated Stock Exchange, any shares purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Statutes and the listing rules of the Designated Stock Exchange. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents and the Statutes, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

(p) Dividends and Reserves

Regulation 134

134. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.

Regulation 135

135. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

Regulation 136

136. If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

Regulation 137

137. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Statutes:

- (a) all dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid, all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
- (b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this Regulation, an amount paid or credited as paid on a share in advance of a call is to be ignored.

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138. (A) No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends remaining unclaimed after one year from having been first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any dividend or any such moneys unclaimed after six (6) years from having been first payable shall be forfeited and shall revert to the Company Provided Always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. If CDP or a clearing house returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable.
- (B) A payment by the Company to CDP or a clearing house of any dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.

Regulation 139

139. No dividend or other monies payable on or in respect of a share shall bear interest as against the Company.

Regulation 140

140. (A) The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- (B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares herein before contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.

Regulation 141

141. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

Regulation 142

142. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

Regulation 142A

142A. (A) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:

- (i) the basis of any such allotment shall be determined by the Directors;
- (ii) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such election or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all

such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Regulation;

- (iii) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion;
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the *elected ordinary shares*) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Regulation 146, the Directors shall (a) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis or (b) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.
- (B) (i) The ordinary shares allotted pursuant to the provisions of this Regulation 142A shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
- (ii) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions this Regulation 142A, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in these

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Regulations, provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned).

- (C) The Directors may, on any occasion when they resolve as provided in this Regulation 142A, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of this Regulations shall be read and construed subject to such determination.
- (D) The Directors may, on any occasion when they resolve as provided in this Regulation 142A, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register are outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlement of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
- (E) Notwithstanding the foregoing provisions of this Regulation, if at any time after the Directors' resolution to apply the provisions this Regulation 142A in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of this Regulation 142A.

Regulation 143

143. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the Member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such

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address as such Member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Regulation 144

144. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

Regulation 145

145. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.

(q) Calls on Shares

Regulation 21

21. The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed and may be made payable by instalments.

Regulation 22

22. Each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

Regulation 23

23. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest in whole or in part.

Regulation 24

24. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment, all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Regulation 25

25. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

Regulation 26

26. The Directors may if they think fit receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the Member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in respect of a dividend and any other distribution subsequently declared.

(r) Forfeiture and Lien

Regulation 27

27. If a Member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

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Regulation 28

28. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be made forfeit.

Regulation 29

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be made forfeit by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeit share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be made forfeit hereunder.

Regulation 30

30. A share so made forfeit or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the Directors shall think fit. The Directors may, if necessary, authorize some person to transfer a share so made forfeit or surrendered to any such other person as aforesaid.

Regulation 31

31. A Member whose shares have been made forfeit or surrendered shall cease to be a Member in respect of such shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of such shares at that time of forfeiture or surrender or waive payment in whole or in part.

Regulation 32

32. The Company shall have a first and paramount lien on every share (not being a fully paid share) and dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Regulation.

Regulation 33

33. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

Regulation 34

34. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities (including the satisfaction of the unpaid calls and accrued interests and expenses) and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale, the Directors may authorize some person to transfer the shares sold to the purchaser.

Regulation 35

35. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly made forfeit or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, the Depository Register) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, allotted or disposed of shall be registered as the holder of the share, or where such person is a Depositor, the Company shall procure that

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his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

(s) Inspection of Register of Members

Regulation 78B

78B. (A) The Company shall keep in one or more books a Register of Members and shall enter therein the following particulars, that is to say:

- (a) the name and address of each Member, the number and class of shares held by him and the amount paid or agreed to be considered as paid on such shares;
- (b) the date on which each person was entered in the Register of Members; and
- (c) the date on which any person ceased to be a Member.

(B) The Company may keep an overseas or local or other branch register of Members resident in any place, and the Directors may make and vary such regulations as it determines necessary, desirable or expedient in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.

Regulation 78C

78C. The Register of Members and branch register of Members, as the case may be, shall be open to inspection for at least two (2) hours on every business day by Members without charge or by any other person, upon a maximum payment of S\$1 (or its Hong Kong dollar equivalent based on the prevailing exchange rate as determined by the Directors) or such lesser sum specified by the Directors, at the Office or such other place at which the Register is kept in accordance with the Statutes or, if appropriate, upon a maximum payment of S\$1 (or its Hong Kong dollar equivalent based on the prevailing exchange rate as determined by the Directors) or such lesser sum specified by the Directors at the Registration Office. The Register of Members including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated

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Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Directors may determine and either generally or in respect of any class of shares.

Regulation 78D

78D. Notwithstanding any other provision of these Regulations, but subject to the listing rules of the Designated Stock Exchange, the Company or the Directors may fix any date as the record date for:

- (A) determining the Members entitled to receive any dividend, distribution, allotment or issue;
- (B) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

(t) Quorum for Meetings and Separate Class Meetings

Regulation 13A

13. (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(4) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

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Regulation 58

58. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two Members present in person or by proxy, provided that (i) a proxy representing more than one Member shall only count as one Member for purpose of determining if the quorum aforesaid is present; and (ii) where a Member is represented by more than one proxy, such proxies of such Member shall only count as one Member for purposes of determining if the quorum aforesaid is present. In addition, for the purposes of a quorum, joint holders of any share shall be treated as one Member.

Regulation 59

59. If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting any two or more Members present in person or by proxy shall be a quorum.

Regulation 60

60. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a General Meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a General Meeting is adjourned for thirty days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

Regulation 108

108. Subject to the provisions of these presents, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time, any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of Directors. Any Director may waive notice of any meeting and any such waiver may be retroactive. Directors may participate in a meeting of the Board of Directors by means of a conference telephone, video

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conferencing, audio visual or other similar communications equipment by means of which all persons participating in the meeting can hear each other, without a Director being in the physical presence of another Director or Directors, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Such a meeting shall be deemed to take place where the largest group of Directors physically present for the purpose of the meeting is assembled or, if there is no such group, where the chairman of the meeting is physically present.

Regulation 109

109. The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number, shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

Regulation 110

110. (a) For the purposes of these presents the contemporaneous linking together by telephone or other means of communication of a number of the Directors not less than the quorum, whether in or outside of Singapore, shall be deemed to constitute a meeting of the Directors and all the provisions in these presents as to the meeting of the Directors shall apply to such meetings so long as the following conditions are met:
- (i) All the Directors for the time being entitled to receive notice of a meeting of the Directors (including any alternate for any Director) shall be entitled to notice of a meeting by telephone or other means of communication and to be linked by telephone or such other means for the purposes of such meeting. Notice of any such meeting shall be given on the telephone or other means of communication;
 - (ii) Each of the Directors taking part in the meeting by telephone or other means of communication must be able to hear each of the other Directors taking part at all times during the meeting;
 - (iii) At the commencement of the meeting each Director must acknowledge his presence for the purpose of a meeting of the Directors of the Company to all the other Directors taking part.

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- (b) A Director may not leave the meeting by disconnecting his telephone or other means of communication unless he has previously obtained the express consent of the chairman of the meeting and a Director is conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting by telephone or other means of communication unless he has previously obtained the express consent of the chairman of the meeting to leave the meeting as aforesaid.
- (c) A minute of the proceedings at such meeting by telephone or other means of communication shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the chairman of the meeting and by any one of the Directors who participated in the meeting.

Regulation 111

111. Questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes (except where only two Directors are present and form the quorum or when only two Directors are competent to vote on the question in issue), the chairman of the meeting shall have a second or casting vote.

(u) Winding Up

Regulation 157

157. The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

Regulation 158

158. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the Members *in specie* or in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members of different classes of Members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

Regulation 159

159. In the event of a winding up of the Company every Member of the Company who is not for the time being in Singapore shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some householder, whether within Singapore or outside Singapore, upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served Provided always that such householder shall be a person to whom service of such summonses, notices, processes, orders and judgments shall not, in the opinion of the Directors, be unlawful or impracticable. In default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such Member for all purposes, and where the liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such Member by advertisement in any leading daily newspaper in the English language in circulation in Singapore and Hong Kong, as the case may be, or by a registered letter sent through the post and addressed to such Member at his address as appearing in the Register of Members, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

Regulation 159A

159A On the voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator unless it shall have been ratified by the Members. The amount of such payment shall be notified to all Members at least seven days prior to the meeting at which it is to be considered.

(v) Stocks

Regulation 48

48. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.

Regulation 49

49. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same presents as and subject to which the shares from which the stock arose might previous to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.

Regulation 50

50. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

Regulation 50A

- 50A. All provisions of these Regulations applicable to paid up shares shall apply to stock and the words *share* and *shareholder* or similar expression herein shall include *stock* or *stockholder*.

(w) Indemnity

Regulation 160

160. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him or to be incurred by him in the execution and discharge of his duties or in relation thereto including any liability by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court. Without prejudice to the generality of the foregoing, no Director, Chief Executive Officer, Secretary or other officer of the Company shall be liable for the acts, receipts, neglect or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense

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happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

(x) Share Certificate Renewal

Regulation 20

Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a written letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Designated Stock Exchange or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment a maximum fee of the lower of S\$2.00 or the relevant maximum amount as the Designated Stock Exchange may from time to time determine or such other fees as the Directors may from time to time determine. In the case of destruction, loss or theft, a shareholder or person entitled to, and to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

B. SALIENT PROVISIONS OF THE LAWS OF SINGAPORE

The following is a summary of the salient provisions of the laws of Singapore as at the date of this prospectus which are applicable to a Singapore incorporated company. The summary below is for general guidance only and does not constitute legal advice nor should it be used as a substitute for specific legal advice on the corporate laws of Singapore. The summary does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the corporate laws of Singapore, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

Reporting Obligations of Shareholders

(a) *Obligation to notify Company of substantial shareholding and change in substantial shareholding*

Section 81 of the Singapore Companies Act

A person has a substantial shareholding in a company if he has an interest or interests in one (1) or more voting shares in the company, and the total votes attached to that share, or those shares, is not less than 5.0% of the total votes attached to all the voting shares in the company.

Section 82 of the Singapore Companies Act

A substantial shareholder of a company is required to notify the company of his interests in the voting shares in the company within two (2) business days after becoming a substantial shareholder.

Section 83 and 84 of the Singapore Companies Act

A substantial shareholder is required to notify the company of any change in the percentage level of his shareholding or his ceasing to be a substantial shareholder, within two (2) business days after he is aware of such change.

The reference to changes in “**percentage level**” means any changes in a substantial shareholder’s interest in the company which results in his interest, following such change, increasing or decreasing to the next discrete 1.0% threshold.

For example, an increase in interests in the company from 5.1% to 5.9% need not be notified, but an increase from 5.9% to 6.1% will have to be notified.

Consequence of non-compliance

Section 89 of the Singapore Companies Act provides for the consequences of non-compliance with Sections 82, 83 and 84. Under Section 89, a person who fails to comply shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000 and in the case of a continuing offence to a further fine of S\$500 for every day during which the offence continues after conviction.

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Section 90 provides for a defence to a prosecution for failing to comply with Sections 82, 83 or 84. It is a defence if the defendant proves that his failure was due to his not being aware of a fact or occurrence the existence of which was necessary to constitute the offence and that he:

- (a) was not so aware on the date of the summons; or
- (b) became so aware less than seven (7) days before the date of the summons.

However, a person will conclusively be presumed to have been aware of a fact or occurrence at a particular time:

- (i) of which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware at that time; or
- (ii) of which an employee or agent of the person, being an employee or agent having duties or acting in relation to his master's or principal's interest or interests in a share or shares in the company concerned, was aware or would, if he had acted with reasonable diligence in the conduct of his master's or principal's affairs, have been aware at that time.

(b) *Powers of the court with respect to defaulting substantial shareholders*

Section 91 of the Singapore Companies Act

Under Section 91 of the Singapore Companies Act, where a substantial shareholder fails to comply with Sections 82, 83 or 84, the Court may, on the application of the Minister, whether or not the failure still continues, make one (1) of the following orders:

- (a) an order restraining the substantial shareholder from disposing of any interest in shares in the company in which he is or has been a substantial shareholder;
- (b) an order restraining a person who is, or is entitled to be registered as, the holder of shares referred to in paragraph (a) from disposing of any interest in those shares;
- (c) an order restraining the exercise of any voting or other rights attached to any share in the company in which the substantial shareholder has or has had an interest;
- (d) an order directing the company not to make payment, or to defer making payment, of any sum due from the company in respect of any share in which the substantial shareholder has or has had an interest;

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- (e) an order directing the sale of all or any of the shares in the company in which the substantial shareholder has or has had an interest;
- (f) an order directing the company not to register the transfer or transmission of specified shares;
- (g) an order that any exercise of the voting or other rights attached to specified shares in the company in which the substantial shareholder has or has had an interest be disregarded;
- (h) for the purposes of securing compliance with any other order made under Section 91, an order directing the company or any other person to do or refrain from doing a specified act.

Any order made under Section 91 may include such ancillary or consequential provisions as the Court thinks just.

The Court shall not make an order other than an order restraining the exercise of voting rights, if it is satisfied that:

- (a) the failure of the substantial shareholder to comply was due to his inadvertence or mistake or to his not being aware of a relevant fact or occurrence; and
- (b) that in all the circumstances, the failure ought to be excused.

Any person who contravenes or fails to comply with an order made under Section 91 that is applicable to him shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000 and, in the case of a continuing offence, to a further fine of S\$500 for every day during which the offence continues after conviction.

(c) *Obligation to notify the SGX-ST of substantial shareholding and change in substantial shareholding*

Section 135, 136 and 137 of the Singapore Securities and Futures Act

A substantial shareholder is also required under Sections 135, 136 and 137 of the Singapore Securities and Futures Act to notify the company in writing, when the shareholder becomes a substantial shareholder, of changes to the percentage level of his substantial shareholding, or of his ceasing to be a substantial shareholder. Any person who fails to comply with these sections is guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both (for an individual) and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

(d) *Duty of director or chief executive officer to notify corporation of his interests*

Section 133 and 134 of the Singapore Securities and Futures Act

Section 133 of the Singapore Securities and Futures Act stipulates that every director and chief executive officer of a corporation shall give notice in writing to the corporation of particulars of, *inter alia*, shares in the corporation; or a related corporation of the corporation, which he holds, or in which he has an interest and the nature and extent of that interest, within two (2) business days after:

- (a) the date on which the director or chief executive officer becomes such a director or chief executive officer; or
- (b) the date on which the director or chief executive officer becomes a holder of, or acquires an interest in, the shares,

whichever last occurs.

Under Section 134, any director or chief executive officer of a corporation who intentionally or recklessly contravenes Section 133 in relation to the disclosure of shares held in the corporation, or furnishes any information which he knows is false or misleading in a material particular or is reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

(e) *Power of corporation to require disclosure of beneficial interest in its voting shares*

Any corporation may, under Section 137F of the Singapore Securities and Futures Act, require any member of the corporation within such reasonable time as is specified in the notice (which shall comply with the requirements stipulated by the Monetary Authority of Singapore):

- (a) to inform it whether he holds any voting shares in the corporation as beneficial owner or as trustee; and
- (b) if he holds them as trustee, to indicate so far as he can the persons for whom he holds them (either by name or by other particulars sufficient to enable those persons to be identified) and the nature of their interest.

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Whenever a corporation receives information from a person pursuant to a requirement imposed on him under Section 137F with respect to shares held by a member of the corporation, it shall be under an obligation to inscribe against the name of that member in a separate part of the register kept by it under Section 137C:

- (i) the fact that the requirement was imposed and the date on which it was imposed; and
- (ii) the information received pursuant to the requirement.

Any person who intentionally or recklessly contravenes the requirement to comply with the notice, or in purported compliance with the requirement, furnishes any information which he knows is false or misleading in a material particular or is reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both (for an individual) and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

(f) *Duty of corporation to make disclosure*

Section 137G of the Singapore Securities and Futures Act

Where a corporation has been notified in writing by a director or chief executive officer of the corporation or a substantial shareholder in respect of a change in the particulars of his shareholdings, the corporation shall announce or otherwise disseminate the information stated in the notice to the securities market operated by the securities exchange on whose official list any or all of the shares of the corporation are listed, as soon as practicable and in any case, no later than the end of the business day following the day on which the corporation received the notice.

Any corporation that intentionally or recklessly contravenes this duty of disclosure; or in purported compliance, announces or disseminates any information knowing that it is false or misleading in a material particular or reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

(g) *Duty not to furnish false statements to securities exchange, futures exchange, designated clearing house and the Securities Industry Council*

Section 330 of the Singapore Securities and Futures Act

Under Section 330 of the Singapore Securities and Futures Act, any person who, with intent to deceive, makes or furnishes, or knowingly and wilfully authorises or permits the making or furnishing of, any false or misleading statement or report to any securities exchange, futures exchange, licensed trade repository, approved clearing house or recognised clearing house or any officers thereof relating to, *inter alia*, dealing in securities shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$50,000 or to imprisonment for a term not exceeding two (2) years or to both.

Section 330 further provides that any person who, with intent to deceive, makes or furnishes or knowingly and wilfully authorises or permits the making or furnishing of, any false or misleading statement or report to the Securities Industry Council or any of its officers, relating to any matter or thing required by the Securities Industry Council in the exercise of its functions under the Singapore Securities and Futures Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$50,000 or to imprisonment for a term not exceeding two (2) years or to both.

Note: Under Section 4(10)(a) of the Singapore Securities and Futures Act, a person who holds securities as a bare trustee will not be regarded as having an interest in those securities. Accordingly, if HKSCC Nominees and other CCASS Participants hold shares as bare trustees, such holdings will not give rise to any disclosure obligation as detailed above by HKSCC Nominees and other CCASS Participants. The ultimate beneficial owner will be obliged to comply with the above disclosure and reporting requirements in connection with their respective shareholdings.

Prohibited Conduct in Relation to Trading in the Securities of the Company

(a) *Prohibitions against false trading and market manipulation — Section 197 of the Singapore Securities and Futures Act*

Pursuant to Section 197(1) of the Singapore Securities and Futures Act, no person shall do any thing, cause any thing to be done or engage in any course of conduct, if his purpose, or any of his purposes, for doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, is to create a false or misleading appearance of (i) active trading in any securities on a securities market; or (ii) with respect to the market for, or the price of, such securities.

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In addition, pursuant to Section 197(1A) of the Singapore Securities and Futures Act, no person shall do any thing, cause any thing to be done or engage in any course of conduct that creates, or is likely to create, a false or misleading appearance of active trading in any securities on a securities market, or with respect to the market for, or the price of, such securities, if:

- (1) he knows that doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance; or
- (2) he is reckless as to whether doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance.

Pursuant to Section 197(2) of the Singapore Securities and Futures Act, no person shall, by means of any purchase or sale of any securities that do not involve a change in the beneficial ownership of those securities, or by any fictitious transaction or device, maintain, inflate, depress, or cause fluctuations in, the market price of any securities.

Under Section 197(3) of the Singapore Securities and Futures Act, where a person:

- (A) effects, takes part in, is concerned in or carries out, directly or indirectly, any transaction of purchase or sale of any securities, being a transaction that does not involve any change in the beneficial ownership of the securities;
- (B) makes or causes to be made an offer to sell any securities at a specified price where he has made or caused to be made or proposes to make or cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to purchase the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price; or
- (C) makes or causes to be made an offer to purchase any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to sell the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price,

it shall be presumed that his purpose, or one of his purposes, for doing so is to create a false or misleading appearance of active trading in securities on a securities market. Section 197(4) of the Singapore Securities and Futures Act provides that the presumption under Section

197(3) may be rebutted if the defendant establishes that the purpose or purposes for which he did the act was not, or did not include, the purposes of creating a false or misleading appearance of active trading in securities on a securities market.

Section 197(5) of the Singapore Securities and Futures Act provides that a purchase or sale of securities does not involve a change in the beneficial ownership if a person who had an interest in the securities before the purchase or sale, or a person associated with the first-mentioned person in relation to those securities, has an interest in the securities after the purchase or sale.

Section 197(6) of the Singapore Securities and Futures Act provides that in any proceedings against a person for contravention of Section 197(2) in relation to a purchase or sale of securities that did not involve a change in the beneficial ownership of those securities, it is a defence if the defendant establishes that the purpose or purposes for which he purchased or sold the securities was not, or did not include, the purpose of creating a false or misleading appearance with respect to the market for, or the price of, securities.

(b) *Prohibition against securities market manipulation — Section 198 of the Singapore Securities and Futures Act*

Under Section 198(1) of the Singapore Securities and Futures Act, no person shall effect, take part in, be concerned in or carry out directly or indirectly, two or more transactions in securities of a corporation, being transactions that have, or are likely to have, the effect of raising, lowering, maintaining or stabilising the price of the securities of the corporation on a securities market, with intent to induce other persons to subscribe for, purchase or sell securities of the corporation or of a related corporation. Section 198(2) of the Singapore Securities and Futures Act provides that transactions in securities of a corporation includes (i) the making of an offer to purchase or sell such securities of the corporation; and (ii) the making of an invitation, however expressed, that directly or indirectly invites a person to offer to purchase or sell such securities of the corporation.

(c) *Prohibition against false or misleading statements — Section 199 of the Singapore Securities and Futures Act*

Under Section 199 of the Singapore Securities and Futures Act, no person shall make a statement, or disseminate information, that is false or misleading in a material particular and is likely (a) to induce other persons to subscribe for securities; (b) to induce the sale or purchase of securities by other persons; or (c) to have the effect of raising, lowering, maintaining, or stabilising the market price of securities, if, when he makes the statement or disseminates the information, (1) he either does not care whether the statement or information is true or false; or (2) he knows or ought reasonably to have known that the statement or information is false or misleading in a material particular.

(d) *Prohibition against fraudulently inducing persons to deal in securities — Section 200 of the Singapore Securities and Futures Act*

Under Section 200(1) of the Singapore Securities and Futures Act, no person shall (a) by making or publishing any statement, promise, or forecast that he knows or ought reasonably to have known to be misleading, false or deceptive; (b) by any dishonest concealment of material facts; (c) by the reckless making or publishing of any statement, promise, or forecast that is misleading, false or deceptive; or (d) by recording or storing in, or by means of, any mechanical, electronic, or other device information that he knows to be false or misleading in a material particular, induce or attempt to induce another person to deal in securities. Section 200(2) of the Singapore Securities and Futures Act states that in any proceedings against a person for a contravention of Section 200(1) of the Singapore Securities and Futures Act constituted by recording or storing information as mentioned in sub-paragraph (d) of Section 200(1) above, it is a defence if it is established that, at the time when the defendant so recorded or stored the information, he had no reasonable grounds for expecting that the information would be available to any other person.

(e) *Prohibition against employment of manipulative and deceptive devices — Section 201 of the Singapore Securities and Futures Act*

Section 201 of the Singapore Securities and Futures Act provides that no person shall, directly or indirectly, in connection with the subscription, purchase or sale of any securities (i) employ any device, scheme or artifice to defraud, (ii) engage in any act practice, or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception, upon any person, (iii) make any statement he knows to be false in a material particular, or (iv) omit to state a material fact necessary to make statements, in the light of the circumstances under which they were made, not misleading.

(f) *Prohibition against the dissemination of information about illegal transactions — Section 202 of the Singapore Securities and Futures Act*

Section 202 of the Singapore Securities and Futures Act provides that no person shall circulate or disseminate, or authorise or be concerned in the circulation or dissemination of, any statement or information to the effect that the price of any securities of a corporation will, or is likely, to rise, fall or be maintained by reason of any transaction entered into or to be entered into or other act or thing done or to be done in relation to securities of that corporation, or of a corporation that is related to that corporation, which to his knowledge, was entered into or done in contravention of any of Sections 197 to 201 of the Singapore Securities and Futures Act or if entered into or done would be in contravention of any of Sections 197 to 201 of the Singapore Securities and Futures Act if (i) the person, or a person associated with the person, has entered into or purports to enter into any such transaction or has done or purports to do any such act or thing; or (ii) the person, or a person associated

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with the person, has received, or expects to receive, whether directly or indirectly, any consideration or benefit for circulating or disseminating, or authorising or being concerned in the circulation or dissemination of, the information or statements.

Prohibitions Against Insider Trading

(a) *Prohibited conduct by connected person in possession of inside information — Section 218 of the Singapore Securities and Futures Act*

Pursuant to Section 218(1) of the Singapore Securities and Futures Act, where:

- (i) a person who is connected to a corporation possesses information concerning that corporation that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities of that corporation; and
- (ii) the connected person knows or ought reasonably to know that:
 - (1) the information is not generally available; and
 - (2) if it were generally available, it might have a material effect on the price or value of those securities of that corporation,

amongst others, sub-section (2) of Section 218 of the Singapore Securities and Futures Act (as further described below) shall apply.

Pursuant to Section 218(2) of the Singapore Securities and Futures Act, a connected person must not (whether as principal or agent):

- (A) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities of a corporation to whom he is connected; or
- (B) procure another person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such securities of a corporation to whom he is connected.

A person is connected to a corporation if:

- (I) he is an officer of that corporation or of a related corporation;
- (II) he is a substantial shareholder in that corporation or in a related corporation;

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(III) he occupies a position that may reasonably be expected to give him access to information of a kind to which Section 218 of the Singapore Securities and Futures Act applies by virtue of:

- (a) any professional or business relationship existing between himself (or his employer or a corporation of which he is an officer) and that corporation or a related corporation; or
- (b) being an officer of a substantial shareholder in that corporation or in a related corporation.

(b) *Prohibited conduct by other persons in possession of inside information — Section 219 of the Singapore Securities and Futures Act*

Pursuant to Section 219(1) of the Singapore Securities and Futures Act, where:

- (i) a person who is not a connected person referred to in Section 218 of the Singapore Securities and Futures Act (referred to in this section as the insider) possesses information that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities; and
- (ii) the insider knows that:
 - (1) the information is not generally available; and
 - (2) if it were generally available, it might have a material effect on the price or value of those securities,

sub-section (2) of Section 219 of the Singapore Securities and Futures Act (as further described below) shall apply.

Pursuant to Section 219(2) of the Singapore Securities and Futures Act, the insider must not (whether as principal or agent):

- (A) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities; or
- (B) procure another person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such securities.

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Section 220 of the Singapore Securities and Futures Act further provides that in any proceedings against a person for a contravention of Section 218 or 219, it is not necessary for the prosecution or plaintiff to prove that the accused person or defendant intended to use the information referred to in sub-paragraph (i) of Section 218(1) or sub-paragraph (i) of Section 219(1) (each as described above) in contravention of Section 218 or 219, as the case may be.

Section 216 of the Singapore Securities and Futures Act also provides that a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the first-mentioned securities.

Penalties — Sections 232, 204 and 221 of the Singapore Securities and Futures Act

Section 232 of the Singapore Securities and Futures Act

Section 232 of the Singapore Securities and Futures Act provides that the Monetary Authority of Singapore may, with the consent of the Public Prosecutor, bring an action in a court against the offender to seek an order for a civil penalty in respect of any contravention. If the court is satisfied on the balance of probabilities that the contravention resulted in the gain of a profit or avoidance of a loss by the offender, the court may make an order against him for the payment of a civil penalty of a sum:

- (a) not exceeding 3 times the amount of the profit that the person gained; or the amount of the loss that he avoided, as a result of the contravention; or
- (b) equal to S\$50,000 if the person is not a corporation, or S\$100,000 if the person is a corporation,

whichever is the greater.

If the court is satisfied on a balance of probabilities that the contravention did not result in the gain of a profit or avoidance of a loss by the offender, the court may make an order against him for the payment of a civil penalty of a sum not less than S\$50,000 and not more than S\$2 million.

Section 204 of the Singapore Securities and Futures Act

Any person who contravenes Sections 197 to 203 of the Singapore Securities and Futures Act is guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding seven (7) years or to both under Section 204 of the Singapore Securities and Futures Act.

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Section 204 further provides that no proceedings shall be instituted against a person for the offence after a court has made an order against him for the payment of a civil penalty under Section 232 of the Singapore Securities and Futures Act, or if the person has entered into an agreement with the Monetary Authority of Singapore to pay, with or without admission of liability, a civil penalty under Section 232(5) in respect of that contravention.

Section 221 of the Singapore Securities and Futures Act

Any person who contravenes Sections 218 or 219 of the Singapore Securities and Futures Act, is guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding seven (7) years or to both under Section 221 of the Singapore Securities and Futures Act.

Section 221 further provides that no proceedings shall be instituted against a person for an offence in respect of a contravention of Section 218 or 219 after a court has made an order against him for the payment of a civil penalty under Section 232 of the Singapore Securities and Futures Act, or if the person has entered into an agreement with the Monetary Authority of Singapore to pay, with or without admission of liability, a civil penalty under Section 232(5) in respect of that contravention.

Civil Liability — Section 234 of the Singapore Securities and Futures Act

Section 234 of the Singapore Securities and Futures Act provides that a person who has contravened any of the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above) shall, if he had gained a profit or avoided a loss as a result of that contravention, whether or not he had been convicted or had a civil penalty imposed on him in respect of that contravention, be liable to pay compensation to any person who:

- (a) contemporaneously with the contravention, had subscribed for, purchased or sold securities of the same description; and
- (b) had suffered loss by reason of the difference between:
 - (i) the price at which the securities were dealt in or traded contemporaneously with the contravention; and
 - (ii) the price at which the securities would have been likely to have been so dealt in or traded at the time of the contemporaneous dealing or trading if:
 - (1) in any case where the contravening person had acted in contravention of Section 218 or 219, the information referred to had been generally available; or
 - (2) in any other case, the contravention had not occurred.

Extra-territoriality of the Singapore Securities and Futures Act

Section 339(1) of the Singapore Securities and Futures Act provides that where a person does an act partly in and partly outside Singapore, which, if done wholly in Singapore, would constitute an offence against any provision of the Singapore Securities and Futures Act (which would include the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above)), that person shall be guilty of that offence as if the act were carried out by that person wholly in Singapore, and may be dealt with as if the offence were committed wholly in Singapore.

Section 339(2) of the Singapore Securities and Futures Act provides that where:

- (a) a person does an act outside Singapore which has a substantial and reasonably foreseeable effect in Singapore; and
- (b) that act would, if carried out in Singapore, constitute an offence under the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above),

that person may be guilty of an offence as if the act were carried out by that person in Singapore, and may be dealt with as if the offence were committed in Singapore.

In addition, for the purposes of an action under Section 232 or 234 of the Singapore Securities and Futures Act, where a person:

- (i) does an act partly in and partly outside Singapore which, if done wholly in Singapore, would constitute a contravention of any of the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above); or
- (ii) does an act outside Singapore which has a substantial and reasonably foreseeable effect in Singapore and that act, if carried out in Singapore, would constitute a contravention of any of the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above),

the act shall be treated as being carried out by that person in Singapore.

Takeover Obligations

(a) *Offences and Obligations relating to takeovers*

Section 140 of the Singapore Securities and Futures Act

Section 140 of the Singapore Securities and Futures Act provides that a person shall not give notice or publicly announce that he intends to make a take-over offer if he has:

- (a) no intention to make a take-over offer; or
- (b) no reasonable or probable grounds for believing that he will be able to perform his obligations if the take-over offer is accepted or approved, as the case may be.

A person who contravenes Section 140 is guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding seven (7) years or to both.

(b) *Obligations under the Singapore Takeovers Code and the consequence of non-compliance*

Obligations under the Singapore Takeovers Code

The Singapore Takeovers Code regulates the acquisition of ordinary shares of public companies and contains certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the Company's voting Shares, or, if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the Company's voting Shares, and if he (or parties acting in concert with him) acquires additional voting Shares representing more than 1.0% of the Company's voting Shares in any six month period, must, except with the consent of the Securities Industry Council in Singapore, extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Takeovers Code.

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“**Persons acting in concert**” comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Shares in a company, to obtain or consolidate effective control of that company. Without prejudice to the general application of this definition, the following individuals and companies are presumed to be acting in concert with each other (unless the contrary is established). They are as follows:

- (a) a company and its related companies, the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company and its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company and its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser and its clients in respect of Shares held by the adviser and persons controlling, controlled by or under the same control as the adviser and all the funds managed by the adviser on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client’s equity share capital;
- (f) directors of a company (including their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;
- (g) partners; and
- (h) an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

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In the event that one of the abovementioned thresholds is reached, the person acquiring an interest (the “**Offeror**”) must make a public announcement stating, *inter alia*, the terms of the offer and its identity. The Offeror must post an offer document not earlier than 14 days and not later than 21 days from the date of the offer announcement. An offer must be kept open for at least 28 days after the date on which the offer document was posted.

If a revised offer is proposed, the Offeror is required to give a written notice to the offeree company and its shareholders, stating the modifications made to the matters set out in the offer document. The revised offer must be kept open for at least 14 days from the date of posting of the written notification of the revision to shareholders. Where the consideration is varied, shareholders who agree to sell before the variation are also entitled to receive the increased consideration.

A mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the six months preceding the acquisition of Shares that triggered the mandatory offer obligation.

Under the Singapore Takeovers Code, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

(c) *Consequence of non-compliance with the requirements under the Singapore Takeovers Code*

The Singapore Takeovers Code is non-statutory in that it does not have the force of law. Therefore, as provided in Section 139(8) of the Singapore Securities and Futures Act, a failure of any party concerned in a take-over offer or a matter connected therewith to observe any of the provisions of the Singapore Takeovers Code shall not of itself render that party liable to criminal proceedings.

However, the failure of any party to observe any of the provisions of the Singapore Takeovers Code may, in any civil or criminal proceedings, be relied upon by any party to the proceedings as tending to establish or to negate any liability which is in question in the proceedings.

Section 139 further provides that the Securities Industry Council has the power, in the exercise of its functions, to enquire into any matter or thing related to the securities industry and may, for this purpose, summon any person to give evidence on oath or affirmation or produce any document or material necessary for the purpose of the enquiry.

(d) *Compulsory Acquisition under the Singapore Companies Act*

Following the conclusion of an offer, pursuant to section 215 of the Singapore Companies Act, if an offeror acquires 90.0% of the shares of the offeree company, it may, by notice to the dissenting shareholders, sell its shares to it. In calculating the 90.0% threshold, shares held or acquired by the Offeror, its related corporations and their respective nominees are excluded. The notice must be sent within two months of the satisfaction of the 90% threshold. The shareholder whose shares are thus to be acquired may apply to Court for an order that the offeror is not entitled to acquire the shares, or specifying different acquisition. Where an offeror could acquire the holdings of minority shareholders but does not, a minority shareholder may serve a notice requiring the offeror to do so within three (3) months from the date of receipt of notice from offeror of the fact that the offeror has acquired 90.0% of the shares of the offeree company. The offeror is then obliged to acquire the shareholder's shares on the same terms as the other shares were acquired during the offer.

Share Capital

The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the constitution of that company. However, pursuant to Section 161 of the Singapore Companies Act, notwithstanding anything to the contrary in the constitution of a company, prior approval of the company at a general meeting is required to authorise the directors to exercise any power of the company to issue shares, or the share issue is void under Section 161 of the Singapore Companies Act. Such approval need not be specific but may be general and, once given, will only continue in force until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier, provided that such approval has not been previously revoked or varied by the company in a general meeting.

Pursuant to Section 64A of the Singapore Companies Act, and subject to the approval of the shareholders of a public company incorporated in Singapore by Special Resolution, different classes of shares in the public company may be issued if the issue of the class(es) of shares is provided for in the constitution of the company, and the constitution of the company sets out in respect of each class of shares the rights attached to that class of shares. Such class(es) of shares may confer special, limited or conditional voting rights, or not confer any voting rights.

Financial Assistance to Purchase Shares of a Company or its Holding Company

Generally, pursuant to Section 76 of the Singapore Companies Act, a public company or a company whose holding company or ultimate holding company is a public company is prohibited from giving financial assistance to any person directly or indirectly for the purpose of, or in connection with, the acquisition of that company's shares or shares in its holding company.

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Financial assistance includes the making of a loan, the giving of a guarantee, the provision of security, and the release of a debt or obligation. Certain transactions are specifically provided by the Singapore Companies Act not to be prohibited. These include the distribution of a company's assets by way of dividends, a distribution in the course of a company's winding up, the payment by a company pursuant to a reduction of capital in accordance with the Singapore Companies Act, the giving by a company in good faith and in the ordinary course of commercial dealing of any representation, warranty or indemnity in relation to an offer to the public of, or an invitation to the public to subscribe for or purchase shares or units of shares in the company, and the entering into by the company, in good faith and in the ordinary course of commercial dealing, of an agreement with a subscriber for shares in the company permitting the subscriber to make payments for the shares by instalments, an allotment of bonus shares, a redemption of redeemable shares of a company in accordance with the company's constitution, or the payment of some or all of the costs by a company listed on a securities exchange in Singapore or any securities exchange outside Singapore associated with a scheme, an arrangement or a plan under which any shareholder of the company may purchase or sell shares for the sole purpose of rounding off any odd-lots which he owns.

The Singapore Companies Act further provides that a company can give financial assistance in certain circumstances, including but not limited to: (i) where the amount of financial assistance does not exceed 10.0% of the aggregate of the total paid-up capital and reserves of the company as disclosed in the most recent financial statements of the company and the company receives fair value in connection with the financial assistance; (ii) where the giving of financial assistance does not materially prejudice the interests of the company or its shareholders or, the company's ability to pay its creditors; or (iii) where the financial assistance is approved unanimously by the shareholders of the company, provided that certain conditions and procedures under the Singapore Companies Act are also complied with.

Where the company is a subsidiary of a listed corporation or a subsidiary whose ultimate holding company is incorporated in Singapore, the listed corporation or the ultimate holding company, as the case may be, is also required to pass a special resolution to approve the giving of the financial assistance.

Purchase of Shares by a Company

The Singapore Companies Act generally prohibits a company from acquiring its own shares subject to certain exceptions. Any contract or transaction by which a company acquires its own shares is void subject to the exceptions below. However, provided that it is expressly permitted to do so by its constitution and subject to the special conditions of each permitted acquisition contained in the Singapore Companies Act, a company may:

- (a) redeem redeemable preference shares. Preference shares may be redeemed out of capital if all the directors make a solvency statement in relation to such redemption in accordance with the Singapore Companies Act;

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- (b) make an off-market purchase of its own shares in accordance with an equal access scheme authorised in advance at a general meeting;
- (c) make a selective off-market purchase of its own shares in accordance with an agreement authorised in advance at a general meeting by a special resolution where persons whose shares are to be acquired and their associated persons have abstained from voting;
- (d) make an acquisition of its own shares under a contingent purchase contract which has been authorised in advance at a general meeting by a special resolution; and
- (e) make a market purchase of its own shares which has been authorised in advance at a general meeting.

A company may also purchase its own shares by an order of a Singapore court.

The total number of ordinary shares that may be purchased by a company in a relevant period may not exceed 20.0% of the total number of ordinary shares in that class as of the date of the resolution passed pursuant to the relevant share purchase provisions under the Singapore Companies Act. Where, however, the Company has reduced its share capital by a special resolution of the general meeting or a Singapore court made an order to such effect, the total number of ordinary shares shall be taken to be the total number of ordinary shares in that class as altered by the special resolution or the order of the court. Payment may be made out of the company's profits or capital, provided that the company is solvent.

Where ordinary shares are re-purchased, such shares may be held as treasury shares or cancelled as provided in the Singapore Companies Act. Treasury shares may be dealt with in such manner as may be permitted under the Singapore Companies Act. On cancellation of the shares, the rights and privileges attached to those shares will expire.

Dividends and Distributions

Section 403 of the Singapore Companies Act provides that no dividends may be paid to shareholders of a company except out of the company's profits. Section 76J of the Singapore Companies Act provides that no dividend may be paid, and no other distribution (whether in cash or otherwise) of a company's assets may be made to the company in respect of shares held by a company as treasury shares.

Minority Protection

Section 216 of the Singapore Companies Act protects the rights of minority shareholders of Singapore incorporated companies by giving the Singapore courts a general power to make any order, upon application by any shareholder of a company, as they think fit to remedy any of the following situations:

- (a) if the affairs of the company are being conducted or the powers of the board of directors are being exercised in a manner oppressive to, or in disregard of the interest of, one or more of the shareholders including the applicant or in disregard of his or their interests as shareholders of the company; or
- (b) if the company takes an action, or threatens to take an action, or the shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Singapore Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

- (i) direct or prohibit any act or cancel or vary any transaction or resolution;
- (ii) regulate the conduct of the affairs of the company in the future;
- (iii) authorise civil proceedings to be brought in the name of, or on behalf of, the company by a person or persons and on such terms as the court may direct;
- (iv) direct the company or some of its shareholders to purchase a minority shareholder's shares and, in the case of the company's purchase of shares, a corresponding reduction of the company's share capital;
- (v) provides that the company's constitution be amended; or
- (vi) provide that the company be wound up.

Disposal of Assets

Under Section 160 of the Singapore Companies Act, prior approval of the company at a general meeting is required before the directors can carry into effect any proposals for disposing of the whole or substantially the whole of the company's undertaking or property, notwithstanding anything in a company's constitution.

Accounting and Auditing Requirements

Section 199 of the Singapore Companies Act provides that every company must keep accounting and other records that will sufficiently explain the transactions and financial position of the company and enable true and fair financial statements to be prepared.

Exchange Controls

As at the date of this prospectus, no exchange control restrictions are in effect in Singapore.

Members' Requisition to Convene Extraordinary General Meetings

Section 176 of the Singapore Companies Act provides that members of a company holding not less than 10.0% of the total number of paid up shares of a company carrying the right to vote at general meetings or, in the case of a company not having a share capital, members representing not less than 10.0% of the total voting rights of all members having a right to vote at general meetings, may requisition for an extraordinary general meeting in accordance with the provisions of the Singapore Companies Act. The directors must convene the meeting to be held as soon as practicable, but in any case not later than two months after the receipt by the company of the requisition.

Section 183 of the Singapore Companies Act provides that (a) any number of members representing not less than 5.0% of the total voting rights of all the members having at the date of requisition a right to vote at a meeting to which the requisition relates or (b) not less than 100 members holding shares on which there has been paid up an average sum, per member, of not less than S\$500, may requisition the company to give to members entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting, and circulate to members entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Loans to directors

Subject to specified exceptions, a company (other than an exempt private company) is prohibited from making a restricted transaction. Restricted transactions include making a loan or quasi-loan to a director (and to the spouse or natural, step or adopted child of any such director) of the company or a related company ("**relevant director**"), entering into any guarantee or providing any security in connection with a loan or quasi-loan made to a relevant director by any other person, entering into a credit transaction as creditor for the benefit of a relevant director, entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of a relevant director, taking part in an arrangement under which another person enters into a transaction that, if it had been entered into by the company, would have been a restricted transaction, and that person obtains

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a benefit from the company or a related company, or arranging the assignment to the company, or assumption by the company, of any rights, obligations or liabilities under a transaction that, if entered into by the company, would have been a restricted transaction.

For these purposes, a related company of a company means its holding company, its subsidiary and a subsidiary of its holding company.

Subject to specified exceptions, a company (the “**first mentioned company**”) (other than an exempt private company) is also prohibited from making loans or quasi-loan to connected persons, entering into any guarantee or providing any security in connection with a loan or quasi-loan made to connected persons by a third-party, entering into a credit transaction for the benefit of connected persons or, entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of connected persons. Connected persons of the first mentioned company include companies in which the director(s) of the first mentioned company, individually or collectively, have an interest in 20.0% or more (as determined in accordance with the Singapore Companies Act).

This prohibition does not apply to:

- (a) anything done by a company where the other company is its subsidiary, holding company or a subsidiary of its holding company; or
- (b) a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done in the ordinary course of that business if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the Monetary Authority of Singapore.

Inspection of Corporate Records

Pursuant to Section 192(2) of the Singapore Companies Act, the register of members of a public company incorporated in Singapore shall be open to the inspection of any member without charge.

Register of Members

Pursuant to Sections 190 and 191 of the Singapore Companies Act, a public company must keep a register of members at its registered office (the “**principal register**”). In addition, Section 196 of the Singapore Companies Act provides that a public company having a share capital may keep a branch register of members (the “**branch register**”) outside Singapore. Such branch register is deemed to be part of the company’s principal register and a duplicate of the branch register will be kept at the same office as the principal register.

Register of Directors, Chief Executive Officers, Secretaries and Auditors

Pursuant to Section 173 of the Singapore Companies Act, the register of a company's directors, chief executive officers, secretaries and auditors (if any) shall be kept by the Registrar of Companies.

Winding Up, Striking Off and Dissolution

The winding up of a company may be done in the following ways:

- (a) members' voluntary winding up;
- (b) creditors' voluntary winding up;
- (c) court compulsory winding up; and
- (d) an order made pursuant to Section 216 of the Singapore Companies Act for the winding up of the company.

The type of winding up, depends, *inter alia*, on whether the company is solvent or insolvent.

A company may submit an application to ACRA to strike off its name from the register. ACRA may approve the application if certain criteria are satisfied. These include, among others, the company not having commenced business or having ceased to carry on business, the company having no assets or liabilities (including contingent assets and liabilities) and the company not being party to any ongoing or pending proceedings (whether civil or criminal) before a court, whether in Singapore or elsewhere. Where the name of a company is struck off, the company is dissolved.

A company may also be dissolved:

- (i) through the process of liquidation pursuant to the winding up of the company;
- (ii) in a merger or amalgamation of two companies where the court may order the dissolution of one after its assets and liabilities have been transferred to the other;
or
- (iii) when it is struck off the register by the Registrar of Companies on the ground that it is a defunct company.

Merger and Similar Arrangements

Section 212 of the Singapore Companies Act provides that the Singapore courts have the authority, in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies and that under the scheme the whole or any

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part of the undertaking or the property of any company concerned in the scheme (the transferor company) is to be transferred to another company (the transferee company), to order that the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of the transferor company. Such power only exists in relation to companies incorporated in Singapore.

Sections 215A to 215J of the Singapore Companies Act further provides for a voluntary amalgamation process without the need for a court order. Under this voluntary amalgamation process, two or more companies may amalgamate and continue as one company, which may be one of the amalgamating companies or a new company, in accordance with the procedures set out in the Singapore Companies Act. As part of these procedures, the board of directors of each of the amalgamating company must make a solvency statement in relation to both the amalgamating company and the amalgamated company.

Indemnification

Subject to specified exceptions, Section 172 of the Singapore Companies Act prohibits a company from indemnifying its officers (including directors acting in an executive capacity) against liability, which by law would otherwise attach to them in connection with any negligence, default, breach of duty or breach of trust in relation to that company. A company is not prohibited from (a) purchasing and maintaining for its officers insurance against any such liability; and (b) indemnifying its officers against third party liability, except in circumstances where such liability is for any criminal or regulatory fines or penalties, or where such liability is incurred in respect of (i) the officer defending criminal proceedings in which he is convicted; (ii) the officer defending civil proceedings brought by the company or a related company in which judgment is given against him; or (iii) in connection with any application under Section 76A(13) or Section 391 of the Singapore Companies Act in which the court refuses to grant the officer relief.

INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

The Shares are currently listed on the Catalist board of SGX-ST and our Company intends to list its Shares on the Hong Kong Stock Exchange. We set out below a summary of the major differences between the Listing Rules and the Catalist Listing Manual, certain applicable laws and regulations of Singapore and Hong Kong, the takeover rules under the Singapore Takeovers Code, the Takeovers Code and certain relevant legislations concerning companies with listed securities.

However, this summary is for general guidance only and is not and shall not be relied on as legal advice or any other advice to Shareholders. The summary is not meant to be a comprehensive or exhaustive description of all the relevant Singapore and Hong Kong laws, rules and regulations. In addition, Shareholders should also note that the laws, rules and regulations applicable to our Company and Shareholders may change, whether as a result of proposed legislative reforms to the Singapore or Hong Kong laws, rules or regulations or otherwise.

Prospective investors and/or Shareholders should consult their own legal advisers for specific legal advice concerning their legal rights and obligations under Singapore laws and Hong Kong laws. In the event of any conflict between the Hong Kong laws, rules and regulations, including but not limited to the Listing Rules, the Takeovers Code and Part XV of the SFO, on the one hand, and the Singapore laws, rules and regulations, including but not limited to the Catalist Listing Manual, the Singapore Companies Act, the Singapore Takeovers Code, and the Singapore Securities and Futures Act, on the other hand, we shall comply with the more restrictive and stringent rule. The Sole Sponsor and our Directors are not aware of any major conflicts between the Listing Rules and the Catalist Listing Manual, which may cause difficulties to us to comply with the rules under both regimes.

I. Summary of the Major Differences between the Listing Rules and the Catalist Listing Manual and Certain Applicable Singapore and Hong Kong Laws**The Listing Rules and Hong Kong Laws****Catalist Listing Manual and Singapore Laws****REPORTING REQUIREMENTS**

Issuers in Hong Kong are required to comply with disclosure obligations under the Listing Rules upon the occurrence of the events which are prescribed therein.

In the case that the Company makes a disclosure pursuant to the Listing Rules, it will make the same disclosure in Singapore.

Issuers in Singapore are required to comply with disclosure obligations under the Catalist Listing Manual upon the occurrence of the events which are prescribed in the Catalist Listing Manual.

In the case that the Company makes a disclosure pursuant to the Catalist Listing Manual, it will make the same disclosure in Hong Kong.

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| <p>1. Chapter 13 of the Listing Rules (Continuing Obligations)</p> <p>Rule 13.09, Listing Rules: General Obligation of Disclosure</p> <p>(1) Without prejudice to Rule 13.10 of the Listing Rules, where in the view of the Hong Kong Stock Exchange there is or there is likely to be a false market in an issuer's securities, the issuer must, as soon as reasonably practicable after consultation with the Hong Kong Stock Exchange, announce the information necessary to avoid a false market in its securities.</p> <p><i>Notes:</i></p> <p>(1) This obligation exists whether or not the Hong Kong Stock Exchange makes enquiries under Rule 13.10 of the Listing Rules.</p> <p>(2) If an issuer believes that there is likely to be a false market in its listed securities, it must contact the Hong Kong Stock Exchange as soon as reasonably practicable.</p> <p>(2) (a) Where an issuer is required to disclose inside information under the Inside Information Provisions (as defined in the Listing Rules), it must also simultaneously announce the information.</p> <p>(b) An issuer must simultaneously copy to the Hong Kong Stock Exchange any application to the SFC for a waiver from disclosure under the Inside Information Provisions, and promptly upon being notified of the SFC's decision copy the Hong Kong Stock Exchange with the SFC's decision.</p> | <p>Chapter 7 of the Catalist Listing Manual (Continuing Obligations)</p> <p>Rule 703, Catalist Listing Manual: Disclosure of Material Information</p> <p>(1) An issuer must announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which:</p> <p>(a) is necessary to avoid the establishment of a false market in the issuer's securities; or</p> <p>(b) would be likely to materially affect the price or value of its securities.</p> <p>(2) Rule 703(1) does not apply to information which would be a breach of law to disclose.</p> <p>(3) Rule 703(1) does not apply to particular information which satisfies the following conditions:</p> <p>Condition 1: a reasonable person would not expect the information to be disclosed;</p> <p>Condition 2: the information is confidential; and</p> <p>Condition 3: one or more of the following applies:</p> <p>(a) the information concerns an incomplete proposal or negotiation;</p> <p>(b) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;</p> <p>(c) the information is generated for the internal management purposes of the entity;</p> <p>(d) the information is a trade secret.</p> |
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Rule 13.10B, Listing Rules: Announce Information Disclosed to Other Stock Exchanges

An issuer must announce any information released to any other stock exchange on which its securities are listed at the same time as the information is released to that other exchange.

(4) In complying with the SGX-ST's disclosure requirements, an issuer must:

- (a) observe the Corporate Disclosure Policy set out in Appendix 7A to the Catalyst Listing Manual, and
- (b) ensure that its directors and executive officers are familiar with the SGX-ST's disclosure requirements and Corporate Disclosure Policy.

(5) The SGX-ST will not waive any requirements under this Rule.

Rule 13.51, Listing Rules: Notification on Changes

An issuer must publish an announcement as soon as practicable in regard to:

- (1) any proposed alteration of the issuer's memorandum or articles of association or equivalent documents;
- (2) any changes in its directorate or supervisory committee, and shall procure that each new director or supervisor or member of its governing body shall sign and lodge with the Hong Kong Stock Exchange as soon as practicable after their appointment a declaration and undertaking in the form set out in Form B, H or I, where applicable in Appendix 5 to the Listing Rules. Where a new director, supervisor or chief executive is appointed or the resignation, re-designation, retirement or removal of a director, supervisor or chief executive takes effect, the issuer must announce the change as soon as practicable and include the details required pursuant to Rule 13.51(2) of the Listing Rules of any newly appointed or re-designated director, supervisor or chief executive in the announcement;
- (3) any change in the rights attaching to any class of listed securities and any change in the rights attaching to any shares into which any listed debt securities are convertible or exchangeable;
- (4) any change in its auditors or financial year end, the reason(s) for the change and any other matters that need to be brought to the attention

Rule 704, Catalyst Listing Manual: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

General

- (1) Any change of address of the registered office of the issuer or of any office at which the Register of Members or any other register of securities of the issuer is kept.
- (2) Any proposed alteration to the memorandum of association or articles of association or constitution of the issuer.
- (3) [Deleted]
- (4) Any qualification or emphasis of a matter by the auditors on the financial statements of:
 - (a) the issuer; or
 - (b) any of the issuer's subsidiaries or associated companies, if the qualification or emphasis of a matter has a material impact on the issuer's consolidated accounts or the group's financial position.
- (5) If an issuer has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors.

of holders of securities of the issuer (including, but not limited to, information set out in the outgoing auditors' confirmation in relation to the change in auditors);

- (5) any change in its secretary, share registrar (including any change in overseas branch share registrar) or registered address or where applicable, agent for the service of process in Hong Kong or registered office or registered place of business in Hong Kong;
- (6) any change in its compliance adviser; and
- (7) any revision of interim reports, annual reports or summary financial reports, the reason leading to the revision of published financial reports, and the financial impacts, if any.

Rule 13.25A, Listing Rules: Changes in Issued Shares

- (1) In addition and without prejudice to specific requirements contained elsewhere in the Listing Rules, an issuer must, whenever there is a change in its issued shares as a result of or in connection with any of the events referred to in Rule 13.25A(2) of the Listing Rules, submit for publication on the Hong Kong Stock Exchange's website a return in such form and containing such information as the Hong Kong Stock Exchange may from time to time prescribe by not later than 30 minutes before the earlier of the commencement of the morning trading session or any preopening session on the business day next following the relevant event.
- (2) The events referred to in Rule 13.25A(1) of the Listing Rules are as follows:
 - (a) any of the following:
 - (i) placing;
 - (ii) consideration issue;
 - (iii) open offer;
 - (iv) rights issue;

Appointment or Cessation of Service

- (6) (a) Any appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority, company secretary, registrar or auditors of the issuer. The announcement of an appointment or cessation of service of any director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority must contain the information contained in Appendix 7F or Appendix 7G to the Catalist Listing Manual, as the case may be.
- (b) In the case of a cessation of service of any director, chief executive officer, chief financial officer, chief operating officer, general manager or other executive officer of equivalent authority, such persons must inform the SGX-ST in writing as soon as possible if he is aware of any irregularities in the issuer which would have a material impact on the group, including financial reporting.
- (7) Any appointment or reappointment of a director to the audit committee. The issuer must state in the announcement whether the board considers the director to be independent. The issuer must also provide such additional disclosure as may be appropriate in the circumstances to enable its shareholders to assess the independence or otherwise of the appointed director. In the event of any retirement or resignation which renders the audit committee unable to meet the minimum number (not less than three) the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months.
- (8) Any appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the issuer to a managerial position in the issuer or any of its

- (v) bonus issue;
 - (vi) scrip dividend;
 - (vii) repurchase of shares or other securities;
 - (viii) exercise of an option under the issuer's share option scheme by any of its directors;
 - (ix) exercise of an option other than under the issuer's share option scheme by any of its directors;
 - (x) capital reorganisation; or
 - (xi) change in issued shares not falling within any of the categories referred to in Rule 13.25A(2)(a)(i) to (x) or Rule 13.25A(2)(b) of the Listing Rules; and
- (b) subject to Rule 13.25A(3) of the Listing Rules, any of the following:
- (i) exercise of an option under a share option scheme other than by a director of the issuer;
 - (ii) exercise of an option other than under a share option scheme not by a director of the issuer;
 - (iii) exercise of a warrant;
 - (iv) conversion of convertible securities; or
 - (v) redemption of shares or other securities.
- principal subsidiaries. The announcement must state the job title, duties and responsibilities of the appointee, and the information required in Rule 704(6).
- (9) Any promotion of an appointee referred to in Rule 704(8).
 - (10) Within 60 days after each financial year, the issuer must make an announcement of each person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer as set out in Appendix 7C Part II. If there are no such persons, the issuer must make an appropriate negative statement. The SGX-ST may require the issuer to provide additional information on any such person, including his remuneration, any changes to his duties, responsibilities and remuneration package.
 - (11) Any appointment of, or change in legal representative(s) (or person(s) of equivalent authority, however described), appointed as required by any relevant law applicable to the issuer and/or any of its principal subsidiaries, with sole powers to represent, exercise rights on behalf of, and enter into binding obligations on behalf of, the issuer and/or that principal subsidiaries.
 - (12) For issuers with principal subsidiaries based in jurisdictions other than Singapore, any of its independent director's appointment or cessation of service from the board of these principal subsidiaries.

- (3) The disclosure obligation for an event in Rule 13.25A(2)(b) of the Listing Rules only arises where:
- (a) the event, either individually or when aggregated with any other events described in that rule which have occurred since the listed issuer published its last monthly return under Rule 13.25B of the Listing Rules or last return under this Rule 13.25A (whichever is the later), results in a change of 5% or more of the listed issuer's issued shares; or
 - (b) an event in Rule 13.25A(2)(a) of the Listing Rules has occurred and the event in Rule 13.25A(2)(b) of the Listing Rules has not yet been disclosed in either a monthly return published under Rule 13.25B of the Listing Rules or a return published under this Rule 13.25A.
- (4) For the purposes of Rule 13.25A(3) of the Listing Rules, the percentage change in the listed issuer's issued shares is to be calculated by reference to the listed issuer's total number of issued shares as it was immediately before the earliest relevant event which has not been disclosed in a monthly return published under Rule 13.25B of the Listing Rules or a return published under this Rule 13.25A.

Rule 13.25B, Listing Rules: Monthly Return

A listed issuer shall, by no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the fifth business day next following the end of each calendar month, submit for publication on the Hong Kong Stock Exchange's website a monthly return in relation to movements in the listed issuer's equity securities, debt securities and any other securitised instruments, as applicable, during the period to which the monthly return relates, in such form and containing such information as the Hong Kong Stock Exchange may from time to time prescribe (irrespective of whether there has been any change in the information provided in its previous monthly return). Such information includes, among other things, the number as at the close of such

Appointment of Special Auditors

- (13) The SGX-ST may require an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to the SGX-ST, or the issuer's sponsor, or the issuer's Audit Committee or such other party as the SGX-ST may direct. The issuer may be required by the SGX-ST to immediately announce the requirement, together with such other information as the SGX-ST directs. The issuer may be required by the SGX-ST to announce the findings of the special auditors.

Sponsorship

- (27) If its sponsor will cease, or ceases to sponsor it for any reason, stating the reasons and effective date of such cessation.
- (28) Any confirmation made by the sponsor pursuant to Rule 228(5) upon receipt of such confirmation.
- (29) The appointment of a new sponsor.

Loan agreements/Issue of Debt Securities

- (33) When the issuer or any of its subsidiaries enters into a loan agreement or issues debt securities that contain a condition making reference to shareholding interests of any controlling shareholder in the issuer, or places restrictions on any change in control of the issuer, and the breach of this condition or restriction will cause a default in respect of the loan agreement or debt securities, significantly affecting the operations of the issuer:
- (a) The details of the condition(s) making reference to shareholding interests of such controlling shareholder in the issuer or restrictions placed on any change in control of the issuer; and
 - (b) The aggregate level of these facilities that may be affected by a breach of such condition or restriction.

period of equity securities, debt securities and any other securitised instruments, as applicable, issued and which may be issued pursuant to options, warrants, convertible securities or any other agreements or arrangements.

(34) Any breach of the terms of loan agreements or debt issues which may have a significant impact on the operations of the issuer.

2. General Meetings

Rule 13.73, Listing Rules: Notices

In addition to any direction of the court, the issuer shall ensure that notice of every meeting of its shareholders or its creditors concerning the issuer (e.g. for winding up petitions, schemes of arrangement or capital reduction) is published in accordance with Rule 2.07C of the Listing Rules. The issuer shall despatch a circular to its shareholders at the same time as (or before) the issuer gives notice of the general meeting to approve the transaction referred to in the circular. The issuer shall provide its shareholders with any material information on the subject matter to be considered at a general meeting that comes to the directors' attention after the circular is issued. The issuer must provide the information either in a supplementary circular or by way of an announcement in accordance with Rule 2.07C of the Listing Rules not less than 10 business days before the date of the relevant general meeting to consider the subject matter. The meeting must be adjourned before considering the relevant resolution to ensure compliance with this 10 business day requirement by the chairman or, if that is not permitted by the issuer's constitutional documents, by resolution to that effect.

Rules 13.39(4) and (5), Listing Rules: Meetings of Shareholders

Any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

The issuer must announce the meeting's poll results as soon as possible, but in any event at least 30 minutes before the earlier of either the

Rule 704, Catalist Listing Manual: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

General Meetings

- (14) The date, time and place of any general meeting. All notices convening meetings must be sent to shareholders at least 14 calendar days before the meeting (excluding the date of notice and the date of meeting). For meetings to pass special resolution(s), the notice must be sent to shareholders at least 21 calendar days before the meeting (excluding the date of notice and the date of meeting).
- (15) Immediately after each general meeting and before the commencement of the pre-opening session on the market day following the general meeting, whether the resolutions put to a general meeting of an issuer were passed.

Rule 730A, Catalist Listing Manual: Facilitating Interaction with Shareholders

- (1) An issuer shall hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation.
- (2) All resolutions at general meetings shall be voted by poll.

commencement of the morning trading session or any pre-opening session on the business day after the meeting.

Paragraph E.1.3 in Appendix 14, Listing Rules: Communication with Shareholders — Effective Communication

The issuer should arrange for the notice to shareholders to be sent for annual general meetings at least 20 clear business days before the meeting and to be sent at least 10 clear business days for all other general meetings.

3. Rule 13.23(1), Listing Rules: Notifiable Transactions, Connected Transactions, Takeovers and Share Repurchases

An issuer must announce details of acquisitions and realisations of assets and other transactions required by Chapters 14 and 14A of the Listing Rules and, where applicable, must circularise holders of its securities with their details and obtain their approval thereto.

Rules 14.06 and 14.07, Listing Rules: Classification and Explanation of Terms

Under Chapter 14 of the Listing Rules, the transaction classification is made by using the percentage ratios set out in Rule 14.07. The classifications are:

- (1) share transaction: an acquisition of assets (excluding cash) by a listed issuer where the consideration includes securities for which listing will be sought and where all percentage ratios are less than 5%;
- (2) discloseable transaction: a transaction or a series of transactions (aggregated under Rules 14.22 and 14.23 of the Listing Rules) by a listed issuer where any percentage ratio is 5% or more, but less than 25%;

(3) At least one scrutineer shall be appointed for each general meeting. The appointed scrutineer(s) shall be independent of the persons undertaking the polling process. Where the appointed scrutineer is interested in the resolution(s) to be passed at the general meeting, it shall refrain from acting as the scrutineer for such resolution(s).

(4) The appointed scrutineer shall exercise the following duties:

- (a) ensuring that satisfactory procedures of the voting process are in place before the general meeting; and
- (b) directing and supervising the count of the votes cast through proxy and in person.

Rule 704, Catalist Listing Manual: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Acquisitions and Realisations

(16) Any acquisition of:

- (a) shares resulting in the issuer holding 10% or more of the total number of issued shares excluding treasury shares and subsidiary holdings, of a quoted company;
- (b) except for an issuer which is a bank, finance company, securities dealing company or approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment exceeding each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must state:
 - (i) the aggregate cost of the issuer's quoted investments before and after the acquisition, and such

- (3) major transaction: a transaction or a series of transactions (aggregated under Rules 14.22 and 14.23) by a listed issuer where any percentage ratio is 25% or more, but less than 100% for an acquisition or 75% for a disposal;
- (4) very substantial disposal: a disposal or a series of disposals (aggregated under Rules 14.22 and 14.23 of the Listing Rules) of assets (including deemed disposals referred to in Rule 14.29 of the Listing Rules) by a listed issuer where any percentage ratio is 75% or more;
- (5) very substantial acquisition: an acquisition or a series of acquisitions (aggregated under Rules 14.22 and 14.23 of the Listing Rules) of assets by a listed issuer where any percentage ratio is 100% or more;
- (6) reverse takeover: an acquisition or a series of acquisitions of assets by a listed issuer which, in the opinion of the Hong Kong Stock Exchange, constitutes, or is part of a transaction or arrangement or series of transactions or arrangements which constitute, an attempt to achieve a listing of the assets to be acquired and a means to circumvent the requirements for new applicants set out in Chapter 8 of the Listing Rules.

The relevant category that a transaction falls under depends on the following percentage ratios computed on the following bases:

- (1) assets ratio: the total assets which are the subject of the transaction divided by the total assets of the listed issuer;
- (2) profits ratio: the profits attributable to the assets which are the subject of the transaction divided by the profits of the listed issuer;
- amounts as a percentage of the latest audited consolidated net tangible assets of the issuer;
- (ii) the total market value of its quoted investments before and after the acquisition; and
- (iii) the amount of any provision for diminution in value of investments;
- (c) shares resulting in a company becoming a subsidiary or an associated company of the issuer (providing the information required by Rule 1010(3) and (5)); and
- (d) shares resulting in the issuer increasing its shareholding in a subsidiary or an associated company (providing the information required by Rule 1010(3) and (5)).
- (17) Any sale of:
- (a) shares resulting in the issuer holding less than 10% of the total number of issued shares excluding treasury shares and subsidiary holdings, of a quoted company;
- (b) except for an issuer which is a bank, a finance company, a securities dealing company or an approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment in quoted securities falling below each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must contain the same information as required under Rule 704(14)(b)(i) to (iii), relating to a sale instead of an acquisition;
- (c) shares resulting in a company ceasing to be a subsidiary or an associated company of the issuer (providing the information required by Rule 1010(3) and (5)); and

- (3) revenue ratio: the revenue attributable to the assets which are the subject of the transaction divided by the revenue of the listed issuer;
- (4) consideration ratio: the consideration divided by the total market capitalisation of the listed issuer. The total market capitalisation is the average closing price of the listed issuer's securities as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the transaction; and
- (5) equity capital ratio: the number of shares to be issued by the listed issuer as consideration divided by the total number of the listed issuer's issued shares immediately before the transaction.
- (d) shares resulting in the issuer reducing its shareholding in a subsidiary or an associated company (providing the information required by Rule 1010(3) and (5)).
- (18) Any acquisition or disposal of shares or other assets which is required to be announced under Chapter 10 of the Catalist Listing Manual.

Rule 14.34, Listing Rules: Notification and Announcement

As soon as possible after the terms of a share transaction, discloseable transaction, major transaction, very substantial disposal, very substantial acquisition or reverse takeover have been finalised, the listed issuer must in each case inform the Hong Kong Stock Exchange and publish an announcement as soon as possible.

Chapter 10 of the Catalist Listing Manual (Acquisitions and Realisations)

Part IV Classification of Transactions

Rule 1004, Catalist Listing Manual

Under Chapter 10, transactions are classified into the following categories:

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

Rule 1005, Catalist Listing Manual

In determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004, the sponsor may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. The SGX-ST retains the discretion to determine whether the aggregation was correctly applied, and/or to direct the sponsor to aggregate other transactions.

Rules 14.38A to 14.57, Listing Rules: Additional Requirements for Major Transaction, Very Substantial Disposal, Very Substantial Acquisition, Reverse Takeover

For a major transaction, very substantial disposal and very substantial acquisition, the shareholders' approval is required, while the approvals from both the shareholders and the Hong Kong Stock Exchange are required for reverse takeover.

Rule 1006, Catalist Listing Manual

The relevant category that a transaction falls under depends on the size of the relative figures computed on the following bases:

- (a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.
- (b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.
- (c) The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.
- (d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.
- (e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.

Rules 1008, 1010, 1014 and 1015, Catalist Listing Manual

Transactions are categorised as follows in the Catalist Listing Manual:

- **Rule 1008(1):** non-discloseable transaction: where all of the relative figures computed on the bases set out in Rule 1006 amount to 5.0% or less;
- **Rule 1010:** discloseable transaction: where any of the relative figures computed on the bases set out in Rule 1006 exceeds 5.0%;

- **Rule 1014(1):** major transaction: where any of the relative figures computed on the bases set out in Rule 1006 exceeds (a) for an acquisition, 75.0% but is less than 100.0%; or (b) for a disposal, 50.0%; and
- **Rule 1015(1):** very substantial acquisition or reverse takeover: where an acquisition of assets (whether or not the acquisition is deemed in the issuer's ordinary course of business) is one where any of the relative figures as computed on the bases set out in Rule 1006 is 100.0% or more, or is one which will result in a change in control of the issuer, the transaction is classified as a very substantial acquisition or reverse takeover respectively.

Where a transaction is classified as a discloseable transaction, major transaction or very substantial acquisition/reverse takeover, the issuer must make an immediate announcement.

For very substantial acquisitions/reverse takeovers, the issuer must also immediately announce the latest two years of historical financial information (of the assets to be acquired) and one year of proforma financial information (of the enlarged group).

Further, transactions that are major transactions are conditional upon the prior approval of shareholders. Very substantial acquisitions/reverse takeovers transactions are conditional upon the approval of shareholders and, if applicable, the issue of a listing and quotation notice by the SGX-ST.

A circular to shareholders will need to be distributed to seek shareholders' approval.

The disclosures required to be made in such circular for these types of transactions are prescribed in the Catalist Listing Manual.

4. Rule 13.25, Listing Rules: Winding-up and Liquidation

- (1) An issuer shall inform the Hong Kong Stock Exchange of the happening of any of the following events as soon as it comes to its attention:
- (a) the appointment of a receiver or manager either by any court having jurisdiction or under the terms of a debenture or any application to any court having jurisdiction for the appointment of a receiver or manager, or equivalent action in the country of incorporation or other establishment, in respect of the business or any part of the business of the issuer or the property of the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the Listing Rules;
 - (b) the presentation of any winding-up petition, or equivalent application in the country of incorporation or other establishment, or the making of any winding-up order or the appointment of a provisional liquidator, or equivalent action in the country of incorporation or other establishment, against or in respect of the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the Listing Rules;
 - (c) the passing of any resolution by the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the Listing Rules that it be wound up by way of members' or creditors' voluntary winding-up, or equivalent action in the country of incorporation or other establishment;

Rule 704, Catalist Listing Manual: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Winding Up, Judicial Management, etc

- (19) Any application filed with a court to wind up the issuer or any of its subsidiaries, or to place the issuer or any of its subsidiaries under judicial management.
- (20) The appointment of a receiver, judicial manager or liquidator of the issuer or any of its subsidiaries.
- (21) Any breach of any loan covenants or any notice received from principal bankers or from the trustee of any debenture holders to demand repayment of loans granted to the issuer or any of its subsidiaries which, in the opinion of the issuer's directors, would result in the issuer facing a cash flow problem.
- (22) Where Rule 704(19), (20) or (21) applies, a monthly update must be announced regarding the issuer's financial situation, including:
 - (a) the state of any negotiations between the issuer and its principal bankers or trustee; and
 - (b) the issuer's future direction, or other material development that may have a significant impact on the issuer's financial position.

If any material development occurs between the monthly updates, it must be announced immediately.

- (d) the entry into possession of or the sale by any mortgagee of a portion of the issuer's assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios defined under Rule 14.04(9) of the Listing Rules; or
 - (e) the making of any final judgment, declaration or order by any court or tribunal of competent jurisdiction whether on appeal or at first instance which is not subject to any or further appeal, which may adversely affect the issuer's enjoyment of any portion of its assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios defined under Rule 14.04(9) of the Listing Rules.
- (2) Rules 13.25(1)(a), (b) and (c) will apply to a subsidiary of the issuer if the value of that subsidiary's total assets, profits or revenue represents 5% or more under any of the percentage ratios defined under Rule 14.04(9) of the Listing Rules.

5. Rules 13.45, Listing Rules: After Board Meetings

An issuer shall inform and announce immediately after approval by or on behalf of the board of:

- (1) any decision to declare, recommend or pay any dividend or to make any other distribution on its listed securities, including the rate and amount of the dividend or distribution and the expected payment date;

Rule 704, Catalist Listing Manual: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Announcement of Results, Dividends, etc

- (23) Any recommendation or declaration of a dividend (including a bonus or special dividend, if any), the rate and amount per share and date of payment. If dividends are not taxable in the hands of shareholders, this must be stated in the announcement and in the dividend advice to shareholders. If there is a

- (2) any decision not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in due course;
- (3) any preliminary announcement of profits or losses for any year, half-year or other period;
- (4) any proposed change in the capital structure, including any redemption of its listed securities; and
- (5) any decision to change the general character or nature of the business of the issue or group.
- material variation in the interim or final dividend rate compared to that for the previous corresponding period, the directors must state the reasons for the variation at the time the dividend is recommended or declared. If the directors decide not to declare or recommend a dividend, this must be announced.
- (24) After the end of each of the first three quarters of its financial year, half year or financial year, as the case may be, an issuer must not announce any:
- (a) dividend;
 - (b) capitalisation or rights issue;
 - (c) closing of the books;
 - (d) capital return;
 - (e) passing of a dividend; or
 - (f) sales or turnover

unless it is accompanied by the results of the quarter, half year or financial year, as the case may be, or the results have been announced.

6. Rule 13.66, Listing Rule: Closure of Books and Record Date

- (1) An issuer must announce any closure of its transfer books or register of members in respect of securities listed in Hong Kong at least six business days before the closure for a rights issue, or 10 business days before the closure in other cases. In cases where there is an alteration of book closing dates, the issuer must, at least five business days before the announced closure or the new closure, whichever is earlier, notify the Hong Kong Stock Exchange in writing and make a further announcement.
- (2) An issuer must ensure that the last day for trading in the securities with entitlements falls at least one business day after the general meeting, if the entitlements require the approval of

Rule 704, Catalist Listing Manual: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Books Closure

- (25) Any intention to fix a books closure date, stating the date, reason and address of the share registry at which the relevant documents will be accepted for registration. At least 5 market days of notice (excluding the date of announcement and the books closure date) must be given for any books closure date. Issuers could consider a longer notice period, where necessary. Subject to the provisions of the Singapore Companies Act, the SGX-ST may agree to a shorter books closure period. In fixing a books closure date, an issuer must ensure that the last day of trading on a cum

shareholders in the general meeting or are contingent on a transaction that is subject to the approval of shareholders in the general meeting.

basis falls at least 1 day after the general meeting, if a general meeting is required to be held.

- (26) The issuer must not close its books for any purpose until at least 8 market days after the last day of the previous books closure period. This rule does not prohibit identical books closure dates for different purposes.

7. There are no corresponding or similar provisions in the Listing Rules dealing with treasury shares and subsidiary holdings.

Treasury Shares and Subsidiary Holdings

Rule 704, Catalyst Listing Manual: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

- (31) Any sale, transfer, cancellation and/or use of treasury shares stating the following:
- (a) date of the sale, transfer, cancellation and/or use;
 - (b) purpose of such sale, transfer, cancellation and/or use;
 - (c) number of treasury shares sold, transferred, cancelled and/or used;
 - (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
 - (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
 - (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.
- (31A) Any sale, transfer, cancellation and/or use of subsidiary holdings stating the following:
- (a) date of the sale, transfer, cancellation and/or use;
 - (b) purpose of such sale, transfer, cancellation and/or use;

- (c) number of subsidiary holdings sold, transferred, cancelled and/or used;
- (d) number of subsidiary holdings before and after such sale, transfer, cancellation and/or use; and
- (e) percentage of the number of subsidiary holdings against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use.

8. Chapter 17 of the Listing Rules (Share Option Schemes)

Rule 17.02, Listing Rules: Adoption of a new scheme

The adoption of share option scheme for specified participants of a listed issuer or any of its subsidiaries is subject to the approval of the shareholders of the issuer in general meeting.

Notes to Rule 17.03(3), Listing Rules: Terms of the scheme

The total number of securities which may be issued upon the exercise of all options to be granted under the scheme and any other schemes must not in aggregate exceed 10% of the relevant class of securities of the listed issuer (or the subsidiary) in issue as at the date of approval of the scheme. Options lapsed in accordance with the terms of the scheme will not be counted for the purpose of calculating the 10% limit.

Chapter 8 of the Catalist Listing Manual (Changes in Capital)

Part VIII Share Option Schemes or Share Schemes

Rule 842(3), Catalist Listing Manual

The approval of an issuer's shareholders must be obtained for any share option scheme or share scheme implemented by:

- (a) the issuer; and
- (b) a principal subsidiary of the issuer if the scheme may cause Rule 805(2) to apply.

Rule 842(4), Catalist Listing Manual

If shareholder approval is not required pursuant to Rule 842(3), an issuer must announce the principal terms of any such share option scheme or share scheme implemented by its subsidiaries.

Terms of Schemes

Rule 843, Catalist Listing Manual

Participation in a scheme must be restricted to directors and employees of the issuer and its subsidiaries, except that:

- (1) directors and employees of an associated company of the issuer may participate in the scheme if the issuer has control over the associated company.

The listed issuer may seek shareholders' approval in general meeting to "refresh" the 10% limit under the scheme. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer (or the subsidiary) under the limit as "refreshed" must not exceed 10% of the relevant class of securities in issue as at the date of approval of the limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as "refreshed". The listed issuer must send a circular to its shareholders containing the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Rule 17.04(1), Listing Rules: Granting Options to a Director, Chief Executive or Substantial Shareholder of a Listed Issuer, or any of their Respective Associates

In addition to the shareholders' approval set out in note (1) to Rule 17.03(3) of the Listing Rules and the note to Rule 17.03(4) of the Listing Rules, each grant of options to a director, chief executive or substantial shareholder of a listed issuer, or any of their respective associates, under a scheme of the listed issuer or any of its subsidiaries must comply with the requirements of this Rule 17.04(1). Each grant of options to any of these persons must be approved by independent non-executive directors of the listed issuer (excluding independent non-executive director who is the grantee of the options).

Where any grant of options to a substantial shareholder or an independent non-executive director of the listed issuer, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all options already

(2) directors and employees of the issuer's parent company and its subsidiaries who have contributed to the success and development of the issuer may participate in the scheme.

Rule 844, Catalist Listing Manual

A limit on the size of each scheme, the maximum entitlement for each class or category of participant (where applicable), and the maximum entitlement for any one participant (where applicable) must be stated.

Rule 846, Catalist Listing Manual

The exercise price of options to be granted must be set out. Options granted at a discount may be exercisable after 2 years from the date of grant. Other options may be exercisable after one year from the date of grant.

Shareholder Approval

Rule 852, Catalist Listing Manual

Participation in a scheme by controlling shareholders and their associates must be approved by independent shareholders of the issuer. A separate resolution must be passed for each person and to approve the actual number and terms of options to be granted to that participant.

Rule 853, Catalist Listing Manual

Any grant of options to a director or employee of the issuer's parent company and its subsidiaries that, together with options already granted to the person under the scheme, represents 5% or more of the total number of options available to such directors and employees, must be approved by independent shareholders. A separate resolution must be passed for each such person and to approve the aggregate number of options to be made available for grant to all directors and employees of the parent company and its subsidiaries.

granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12 month period up to and including the date of such grant, (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and (b) (where the securities are listed on the Hong Kong Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$ five million (5,000,000), such further grant of options must be approved by shareholders of the listed issuer. The listed issuer must send a circular to the shareholders. The grantee, his associates and all core connected persons of the listed issuer must abstain from voting in favour at such general meeting.

Rule 17.06A, Listing Rules: Announcement on Grant of Options

As soon as possible upon the granting by the listed issuer of an option under its share option scheme, the listed issuer must publish an announcement setting out the following details:

- (1) date of grant;
- (2) exercise price of the options grant;
- (3) number of options granted;
- (4) market price of its securities on the date of grant;
- (5) where any of the grantees is a director, chief executive or substantial shareholder of the listed issuer, or an associate of any of them, the names of such grantees and the number of options granted to each of them; and
- (6) validity period of the options.

Rule 854, Catalyst Listing Manual

When seeking shareholder approval, an issuer must explain the basis for the following in the circular:

- (1) Participation by, and the specific grant of options to, each of the controlling shareholders or their associates;
- (2) Participation by, and the grant of options to, directors and employees of the parent company and its subsidiaries;
- (3) Participation by non-executive directors;
- (4) Participation by directors and employees of the associated companies;
- (5) Discount quantum; and
- (6) Size of the scheme.

Rule 704, Catalyst Listing Manual: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Employee Share Option or Share Scheme

- (32) Any grant of options or shares. The announcement must be made on the date of the offer and provide details of the grant, including the following:
 - (a) date of grant;
 - (b) exercise price of options granted;
 - (c) number of options or shares granted;
 - (d) market price of its securities on the date of grant;
 - (e) number of options or shares granted to each director and controlling shareholders (and each of their associates), if any; and
 - (f) validity period of the options.

9. Material change in use of proceeds

Pursuant to section 307B(1) of the SFO, a listed corporation must, as soon as reasonably practicable after any inside information has come to its knowledge, disclose the information to the public. Any material change of use of proceeds is generally price sensitive and hence, inside information for the purpose of the SFO. If such information was not previously disclosed in the listing document, the listed issuer must make an announcement to notify investors of the change after listing.

Rule 704, Catalist Listing Manual: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Use of Proceeds

- (30) The use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the offer document or the announcement of the issuer. Where there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation.

10. Rules 13.46 to 13.50, Listing Rules: Disclosure of Financial Information**Distribution of annual report and accounts**

An issuer is required to send (i) every member of the issuer; and (ii) every other holder of its listed securities (not being bearer securities), a copy of either (a) its annual report including its annual accounts and, where the issuer prepares group accounts, its group accounts, together with a copy of the auditors' report thereon or (b) its summary financial report, not less than 21 days before the date of the issuer's annual general meeting and in any event not more than four months after the end of the financial year to which they relate.

Rule 705, Catalist Listing Manual: Financial Statements

- (1) An issuer must announce the financial statements for the full financial year (as set out in Appendix 7C) immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.
- (2) An issuer must announce its financial statements for each of the first three quarters of its financial year (as set out in Appendix 7C) immediately after the figures are available, but in any event not later than 45 days after the quarter end if:
- (a) its market capitalisation exceeded S\$75 million as at 31 March 2003;
 - (b) it was listed after 31 March 2003 and its market capitalisation exceeded S\$75 million at the time of listing (based on the initial public offering issue price); or

- (c) its market capitalisation is S\$75 million or higher on the last trading day of each calendar year, commencing from 31 December 2006. An issuer who falls within this category for the first time, will have an initial grace period of one year to prepare to meet the requirements in Rule 705(2).
- (3) (a) An issuer who falls within any of the categories in this Rule 705(2), must comply with the requirements in Rule 705(2), even if its market capitalisation subsequently decreases below S\$75 million.
 - (b) An issuer whose market capitalisation does not exceed S\$75 million must announce its first half financial statements (as set out in Appendix 7C) immediately after the figures are available, but in any event not later than 45 days after the relevant financial period.
- (4) Notwithstanding the foregoing, with respect to the first announcement to be made by the issuer pursuant to Rules 705 (1) or (2) following its listing on the SGX-ST, where the time period between the date of its listing and the final date for the issuer to make the relevant announcement pursuant to Rule 705(1) or (2) above is less than 30 days, the issuer shall have 30 days from the relevant deadline to make the relevant announcements of the financial statements provided that the following conditions are satisfied:
 - (a) the extension is announced by the issuer at the time of the issuer's listing; and
 - (b) in the announcement referred to in paragraph (a), the issuer must confirm that there is no material adverse change to the financial position of the issuer since the date of its offer document issued in connection with its listing on the SGX-ST.

- (5) In the case of an announcement of interim financial statements (quarterly or half-yearly, as applicable, but excluding full year financial statements), an issuer's directors must provide a confirmation that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect. In order to make this confirmation, directors would not be expected to commission an audit of these financial statements. The confirmation may be signed by 2 directors on behalf of the board of directors.

Interim reports

In respect of the first six months of each financial year of an issuer unless that financial year is of six months or less, the issuer shall send to (i) every member of the issuer; and (ii) every other holder of its listed securities (not being bearer securities), either (a) an interim report, or (b) a summary interim report not later than three months after the end of that period of six months. The issuer may send a copy of its summary interim report to a member and a holder of its listed securities in place of a copy of its interim report, provided that such summary interim report complies with the relevant provisions of the Companies (Summary Financial Reports) Regulation governing summary financial reports.

Preliminary announcements of results — Full financial year

An issuer shall publish its preliminary results in respect of each financial year as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than three months after the end of the financial year.

Rules 707(1) and (2), Catalist Listing Manual: Annual Report

- (1) The time between the end of an issuer's financial year and the date of its annual general meeting (if any) must not exceed four months.
- (2) An issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting.

Sustainability Report

Rule 711A, Catalist Listing Manual

An issuer must issue a sustainability report for its financial year, no later than 5 months after the end of the financial year.

Rule 711B, Catalist Listing Manual

- (1) The sustainability report must describe the sustainability practices with reference to the following primary components:
 - (a) material environmental, social and governance factors;
 - (b) policies, practices and performance;
 - (c) targets;
 - (d) sustainability reporting framework; and
 - (e) Board statement.

- (2) If the issuer excludes any primary component, it must disclose such exclusion and describe what it does instead, with reasons for doing so.

Preliminary announcements of results — First half of the financial year

The issuer shall publish a preliminary announcement in respect of its results for the first six months of each financial year, unless that financial year is of six months or less, as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than two months after the end of that period of six months.

Rule 4.03, Listing Rules: Reporting Accountants

All accountants' reports must normally be prepared by certified public accountants who are qualified under the Professional Accountants Ordinance for appointment as auditors of a company and who are independent both of the issuer and of any other company concerned to the same extent as that required of an auditor under the Companies Ordinance and in accordance with the requirements on independence issued by the Hong Kong Institute of Certified Public Accountants.

Appointment of Auditors

Rule 712, Catalist Listing Manual

- (1) An issuer must appoint a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit.
- (2) The auditing firm appointed by the issuer must be:
 - (a) Registered with the Accounting and Corporate Regulatory Authority;
 - (b) Registered with and/or regulated by an independent audit oversight body acceptable to the SGX-ST. Such oversight bodies should be members of the International Forum of Independent Audit Regulators, independent of the accounting profession and directly responsible for the system of recurring inspection of accounting firms or are able to exercise oversight of inspections undertaken by professional bodies; or

(c) Any other auditing firm acceptable by the SGX-ST.

(3) A change in auditing firm must be specifically approved by shareholders in a general meeting.

Rule 713, Catalist Listing Manual

(1) An issuer must disclose in its annual report the date of appointment and the name of the audit partner in charge of auditing the issuer and its group of companies. The audit partner must not be in charge of more than 5 consecutive audits for a full financial year, the first audit being for the financial year beginning on or after 1 January 1997, regardless of the date of listing. The audit partner may return after two years.

(2) If the listing of an issuer occurs after 5 consecutive audits by the same audit partner in charge, the same audit partner may complete the audit of the financial year in which the issuer lists.

11. Public Float Requirement Chapter 8 of the Listing Rules (Qualifications for Listing)

Rule 8.08(1), Listing Rules: Qualifications for listing

Save and except for the circumstances specified under Chapter 8 of the Listing Rules, an issuer must maintain at least 25% of its total number of issued shares at all times be held by the public.

Free Float

Rule 723, Catalist Listing Manual

An issuer must ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public.

Rule 724, Catalist Listing Manual

(1) If the percentage of securities held in public hands falls below 10%:

(a) The issuer must, as soon as practicable:

(i) notify its sponsor of that fact; and

(ii) announce that fact.

(b) The SGX-ST may suspend trading of the class, or all the securities of the issuer.

- (2) The SGX-ST may allow the issuer a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of securities in public hands to at least 10%, failing which the issuer may be delisted.

12. Shareholders' Reporting Obligations

Part XV of the SFO: Disclosure of Interests by Substantial Shareholders

The Listing Rules require that the interests held by directors and chief executives and substantial shareholders (i.e. shareholders interested in 10% or more of the voting power) be disclosed in annual reports, interim reports and circulars of the listed company. The SFO and the Outline of Part XV of the SFO — Disclosure of Interests (“Outline”) issued by the SFC provides that a substantial shareholder (i.e. shareholder interested in 5% or more of any class of voting shares in a listed company) is required to disclose his interest, and short positions, in the shares of the listed company, within 10 business days after first becoming a substantial shareholder, or to disclose his changes in percentage figures of his shareholdings in the listed company or ceasing to be a substantial shareholder within three business days after becoming aware of the relevant events. Please refer to Section 2.7 of the Outline for examples of relevant events.

Obligation to notify the Company and SGX-ST of substantial shareholding and change in substantial shareholding

Substantial shareholder

Under the Singapore Companies Act, a substantial shareholder (i.e. shareholder having not less than 5.0% of the total votes attached to all the voting shares in the company) of a company shall within two (2) business days after becoming a substantial shareholder, or when there is a change in the percentage level (as defined in the Singapore Companies Act) of the substantial shareholder's interest, or when he ceases to be a substantial shareholder, give notice in writing to the company.

Under the Singapore Securities and Futures Act, a substantial shareholder shall within two (2) business days after becoming a substantial shareholder, or when there is a change in the percentage level of the substantial shareholder's interest, or when he ceases to be a substantial shareholder, give notice in writing to the SGX-ST.

Section 81, Singapore Companies Act

A person has a substantial shareholding in a company if he has an “interest” in one (1) or more voting shares in the company, and the total votes attached to those shares is not less than 5.0% of the total votes attached to all the voting shares in the company.

Section 82, Singapore Companies Act

A substantial shareholder of a company is required to notify the company of his “interests” in the voting shares in the company within two (2) business days after becoming a substantial shareholder.

Sections 83 and 84, Singapore Companies Act

A substantial shareholder is required to notify the company of changes in the “percentage level” of his shareholding or his ceasing to be a substantial shareholder, again within two (2) business days after he becomes aware of such changes.

The reference to changes in “percentage level” means any changes in a substantial shareholder’s interest in the company which results in his interest, following such change, increasing or decreasing to the next discrete 1.0% threshold. For example, an increase in interests in the company from 5.1% to 5.9% need not be notified, but an increase from 5.9% to 6.1% will have to be notified.

Sections 135 to 137, Singapore Securities and Futures Act

A substantial shareholder is also required to give the above notifications to the SGX-ST at the same time.

13. Part XV of the SFO: Disclosure of Interests by Directors and Chief Executives

A director or a chief executive of a listed company is required to disclose his interest and short position in any shares in a listed company (or any of its associated companies) and his interest in any debentures of the listed company (or any of its associated companies) within 10 business days after becoming a director or chief executive of the listed company or within three business days after becoming aware of the relevant events.

If a person is both a substantial shareholder and a director of the listed company concerned under the SFO, such person may have separate duties to file notices (one in each capacity) as a result of a single event. For example, a person who is interested in 5.9% of the shares of a listed company and buys a further 0.2% will have to file a notice because he is a director (and therefore has to disclose all transactions) and will also have to file a notice as a substantial shareholder because his interest has crossed the 6.0% level.

Register of director’s and chief executive officer’s shareholdings

Under Sections 164(1) and 164(1A) of the Singapore Companies Act, a company shall keep a register showing with respect to each director and chief executive officer of the company particulars of:

- (a) shares;
- (b) debentures of or participatory interests;
- (c) rights or options in respect of the acquisition or disposal of shares; and
- (d) contracts to which such person is a party or under which he is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares,

of the company or a related corporation.

A director or chief executive officer of a company shall be deemed to hold or have an interest or a right in or over any shares or debentures if the spouse or a child of less than 18 years of age of the director or chief executive officer (as the case may be) holds or has an interest or a right in or over any shares or

debentures. Any contract, assignment or right of subscription shall be deemed to have been entered into or exercised or made by, or a grant shall be deemed as having been made to, the director or chief executive officer (as the case may be) if the contract, assignment or right of subscription is entered into, exercised or made by, or a grant is made to, the spouse or a child of less than 18 years of age of a director or chief executive officer of a company.

Under Section 165(1) of the Singapore Companies Act, every director and chief executive officer of a company shall give notice in writing to the company of such particulars relating to shares, debentures, participatory interests, rights, options and contracts as are necessary for the purposes of compliance by the first-mentioned company with Section 164, among other disclosure requirements.

Duty of director or chief executive officer to notify corporation of his interests

Sections 133 and 134 of the Singapore Securities and Futures Act

Section 133 of the Singapore Securities and Futures Act stipulates that every director and chief executive officer of a corporation shall give notice in writing to the corporation of particulars of, *inter alia*, shares in the corporation; or a related corporation of the corporation, which he holds, or in which he has an interest and the nature and extent of that interest, within two (2) business days after:

- (a) the date on which the director or chief executive officer becomes such a director or chief executive officer; or
- (b) the date on which the director or chief executive officer becomes a holder of, or acquires an interest in, the shares,

whichever last occurs.

Under Section 134, any director or chief executive officer of a corporation who intentionally or recklessly contravenes Section 133 in relation to the disclosure of shares held in the corporation, or furnishes any information which he knows is false or misleading in a material particular or is reckless as to whether it is, shall be guilty of an offence and shall

be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

Power of corporation to require disclosure of beneficial interest in its voting shares

Any corporation may, under Section 137F of the Singapore Securities and Futures Act, require any member of the corporation within such reasonable time as is specified in the notice (which shall comply with the requirements stipulated by the Monetary Authority of Singapore):

- (a) to inform it whether he holds any voting shares in the corporation as beneficial owner or as trustee; and
- (b) if he holds them as trustee, to indicate so far as he can the persons for whom he holds them (either by name or by other particulars sufficient to enable those persons to be identified) and the nature of their interest.

Whenever a corporation receives information from a person pursuant to a requirement imposed on him under Section 137F with respect to shares held by a member of the corporation, it shall be under an obligation to inscribe against the name of that member in a separate part of the register kept by it under Section 137C:

- (i) the fact that the requirement was imposed and the date on which it was imposed; and
- (ii) the information received pursuant to the requirement.

Any person who intentionally or recklessly contravenes the requirement to comply with the notice, or in purported compliance with the requirement, furnishes any information which he knows is false or misleading in a material particular or is reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the

case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

Duty of corporation to make disclosure

Section 137G of the Singapore Securities and Futures Act

Where a corporation has been notified in writing by a director or chief executive officer of the corporation or a substantial shareholder in respect of a change in the particulars of his shareholdings, the corporation shall announce or otherwise disseminate the information stated in the notice to the securities market operated by the securities exchange on whose official list any or all of the shares of the corporation are listed, as soon as practicable and in any case, no later than the end of the business day following the day on which the corporation received the notice.

Any corporation that intentionally or recklessly contravenes this duty of disclosure; or in purported compliance, announces or disseminates any information knowing that it is false or misleading in a material particular or reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

14. Restrictions and notification requirements on issuers purchasing their own shares on a stock exchange

Rule 10.05, Listing Rules

Subject to the provisions of the Code on Share Buy-backs, approved by the SFC and as amended from time to time, an issuer may purchase its shares on the Hong Kong Stock Exchange or on another stock exchange recognised for this purpose by the SFC and the Hong Kong Stock Exchange. All such purchases must be made in accordance with Rule 10.06 of the Listing Rules. The Code on Share Buy-backs must be complied with by an issuer and its directors and any breach thereof by an issuer will be a deemed breach of the

Chapter 8 of the Catalist Listing Manual (Changes in Capital)

Part XI Share Buy-Back

Rule 866, Catalist Listing Manual: Shareholder Approval

An issuer may purchase its own shares if it has obtained the prior specific approval of shareholders in general meeting.

Rule 867, Catalist Listing Manual

A share buy-back may only be made by way of:

- (1) on-market purchases transacted through the SGX-ST's trading system or on another stock exchange on which the issuer's equity securities are listed ("**market acquisition**"); or

Listing Rules and the Hong Kong Stock Exchange may in its absolute discretion take such action to penalise any breach of this paragraph or the listing agreement as it shall think appropriate. It is for the issuer to satisfy itself that a proposed purchase of shares does not contravene the Code on Share Buy-backs.

Rule 10.06, Listing Rules

An issuer with primary listing on the Hong Kong Stock Exchange can purchase its shares on the Hong Kong Stock Exchange, either directly or indirectly, if the relevant shares are fully-paid up, the issuer has previously sent to the shareholders an explanatory statement complying with the provisions of Rule 10.06(1)(b) of the Listing Rules and that the shareholders of the issuer have given specific approval or a general mandate to the directors to make such a purchase, provided that the amount of shares so purchased under the general mandate shall not exceed 10% of the number of issued shares of the issuer as at the date of the passing of the relevant shareholders' resolution granting the mandate of purchase.

Rule 10.06(1)(b), Listing Rules: Explanatory statement

For the purpose of obtaining shareholders' approval, the issuer must have previously sent to its shareholders an explanatory statement (at the same time as the notice of the relevant shareholders' meeting) containing all the information reasonably necessary to enable those shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the purchase by the issuer of shares including the information set out below:

- (1) a statement of the total number and description of the shares which the issuer proposes to purchase;
- (2) a statement by the directors of the reasons for the proposed purchase of shares;

- (2) off-market acquisition in accordance with an equal access scheme as defined in Section 76C of the Singapore Companies Act.

Unless a lower limit is prescribed under the issuer's law of incorporation, such share buy-back shall not exceed 10 per cent of the total number of issued shares excluding treasury shares and subsidiary holdings as at the date of the resolution passed by shareholders for the share buy-back.

Rule 868, Catalyst Listing Manual

For the purpose of obtaining shareholder approval, the issuer must provide at least the following information to shareholders:

- (1) The information required under the Singapore Companies Act;
- (2) The reasons for the proposed share buy-back;
- (3) The consequences, if any, of share purchases by the issuer that will arise under the Singapore Takeovers Code or other applicable takeover rules;
- (4) Whether the share buy-back, if made, could affect the listing of the issuer's equity securities on the SGX-ST; and
- (5) Details of any share buy-back made by the issuer in the previous 12 months (whether market acquisitions or off-market acquisitions in accordance with an equal access scheme), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases.
- (6) Whether the shares purchased by the issuer will be cancelled or kept as treasury shares.

Rule 869, Catalyst Listing Manual: Dealing Restriction

In the case of a market acquisition, the purchase price must not exceed 105.0% of the Average Closing Price.

- (3) a statement by the directors as to the proposed source of funds for making the proposed purchase of shares, which shall be funds legally available for such purposes in accordance with the issuer's constitutive documents and the laws of the jurisdiction in which the issuer is incorporated or otherwise established;
- (4) a statement as to any material adverse impact on the working capital or gearing position of the issuer (as compared with the position disclosed in its most recent published audited accounts) in the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period, or an appropriate negative statement;
- (5) a statement of the name of any directors, and to the best of the knowledge of the directors having made all reasonable enquiries, any close associates of the directors, who have a present intention, in the event that the proposal is approved by shareholders, to sell shares to the issuer, or an appropriate negative statement;
- (6) a statement that the directors have undertaken to the Hong Kong Stock Exchange to exercise the power of the issuer to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and the laws of the jurisdiction in which the issuer is incorporated or otherwise established;
- (7) a statement as to the consequences of any purchases which will arise under the Takeovers Code of which the directors are aware, if any;
- (8) a statement giving details of any purchases by the issuer of shares made in the previous six months (whether on the Hong Kong Stock Exchange or otherwise) giving the date of each
- “Average Closing Price” means the average of the closing market prices of a share over the last five (5) market days preceding the day of the market acquisition on which transactions in the shares were recorded and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.
- Rule 870, Catalist Listing Manual: Off-market Acquisition On An Equal Access Scheme**
- In the case of off-market acquisition in accordance with an equal access scheme, an issuer must issue an offer document to all shareholders containing at least the following information:
- (1) Terms and conditions of the offer;
 - (2) Period and procedures for acceptances; and
 - (3) Information in Rule 868(2), (3), (4), (5) and (6).
- Rule 871(1), Catalist Listing Manual: Announcement of Share Buy-Back**
- An issuer must announce any share buy-back as follows:
- (a) In the case of a market acquisition, by 9.00 am on the market day following the day on which it purchased shares,
 - (b) In the case of an off market acquisition under an equal access scheme, by 9.00 am on the second market day after the close of acceptances of the offer.
- Rule 871(2), Catalist Listing Manual**
- The announcement must be in the form of Appendix 8D to the Catalist Listing Manual. Such announcement would include, *inter alia*, the name of the overseas exchange on which the company's shares are also listed, the maximum number of shares authorised for purchase, the date of purchases, the total number of shares purchased, the purchase price per share, the highest and lowest prices paid for such shares, the total purchase consideration, the cumulative number of shares purchased to date and the number of issued shares after the purchase.

purchase and the purchase price per share or the highest and lowest prices paid for such purchases, where relevant;

- (9) a statement as to whether or not any core connected persons of the issuer have notified the issuer that they have a present intention to sell shares to the issuer or have undertaken not to sell any of the shares held by them to the issuer, in the event that the issuer is authorised to make purchases of shares;
- (10) a statement giving the highest and lowest prices at which the relevant shares have traded on the Hong Kong Stock Exchange during each of the previous 12 months; and
- (11) the disclaimer of the Hong Kong Stock Exchange in the form set out under the Listing Rules.

15. Rule 10.06(2), Listing Rules: Dealing Restrictions

The buy-back of shares by an issuer is subject to various dealing restrictions, including, among others, that an issuer shall not purchase its shares on the Hong Kong Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on Stock Exchange.

Rule 10.06(4), Listing Rules: Reporting Requirements

- (a) An issuer shall submit for publication to Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the issuer makes a purchase of shares (whether on the Hong Kong Stock Exchange or otherwise), the total number of shares purchased by the issuer the previous day, the purchase price per share or the highest and lowest prices paid for such purchases, where relevant, and shall

confirm that those purchases which were made on the Hong Kong Stock Exchange were made in accordance with the Listing Rules and if the issuer's primary listing is on the Hong Kong Stock Exchange, that there have been no material changes to the particulars contained in the explanatory statement. In respect of purchases made on another stock exchange, the issuer's report must confirm that those purchases were made in accordance with the domestic rules applying to purchases on that other stock exchange. Such reports shall be made on a return in such form and containing such information as the Hong Kong Stock Exchange may from time to time prescribe. In the event that no shares are purchased on any particular day then no return need be made to the Hong Kong Stock Exchange. The issuer should make arrangements with its brokers to ensure that they provide to the issuer in a timely fashion the necessary information to enable the issuer to make the report to the Hong Kong Stock Exchange.

- (b) An issuer shall also include in its annual report and accounts a monthly breakdown of purchases of shares made during the financial year under review showing the number of shares purchased each month (whether on the Hong Kong Stock Exchange or otherwise) and the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid by the issuer for such purchases. The directors' report shall contain reference to the purchases made during the year and the directors' reasons for making such purchases.

Solicitation for Proxy

Investors holding securities in listed companies listed on Stock Exchange through CCASS who want to attend the shareholders' meetings in person or appoint proxies to vote on their behalf must make a request through their broker firms or directly to HKSCC (as the case may be) to authorise the

Depositors who wish to attend and vote at the extraordinary general meeting, and whose names are shown in the records of the CDP as at a time not earlier than 72 hours prior to the time of the extraordinary general meeting supplied by CDP to the company, may attend the extraordinary general meeting in person. Such depositors who are individuals and who wish to attend the extraordinary

investors as corporate representatives or proxies of HKSCC Nominees (or any successor thereto) in respect of such shareholding of the investors in the listed companies.

general meeting in person need not take any further action and can attend and vote at the extraordinary general meeting.

ISSUANCE OF NEW SHARES, CONVERTIBLE BONDS OR BONDS WITH WARRANTS

1. Sections 140 and 141, Companies Ordinance: Power of Directors to Allot and Issue Shares Allotment and Issues of Shares

The directors of a company may exercise a power (i) to allot shares in the company; or (ii) to grant rights to subscribe for, or to convert any security into, shares in the company, only if the company gives approval in advance by resolution of the company.

The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the constitution of that company.

However, notwithstanding anything to the contrary in the constitution of a company, prior approval of the company at a general meeting is required to authorise the directors to exercise any power of the company to issue shares. Such approval need not be specific but may be general.

Rules 13.36(1) to (3), Listing Rules: Preemptive rights

Except in the circumstances, mentioned in Rule 13.36(2) of the Listing Rules:

- (a) the directors of the issuer shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting: (i) shares; (ii) securities convertible into shares; or (iii) options, warrants or similar rights to subscribe for any shares or such convertible securities; and
- (b) the directors of the issuer shall obtain consent of the shareholders in general meeting prior to allotting any voting shares if such allotment would effectively alter the control of the issuer.

Rule 803, Catalist Listing Manual

An issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

Rule 805, Catalist Listing Manual

Except as provided in Rule 806, an issuer must obtain the prior approval of shareholders in general meeting for the following:

No such consent as is referred to in Rule 13.36(1)(a) of the Listing Rules shall be required:

- (a) for the allotment, issue or grant of such securities pursuant to an offer made to the shareholders of the issuer which excludes for that purpose any shareholder that is resident in a place outside Hong Kong provided the directors of the issuer consider such exclusion to be necessary or expedient on account either of the legal restrictions

- (1) The issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer; or

- (2) If a principal subsidiary of an issuer issues shares or convertible securities or options that will or may result in:
 - (a) the principal subsidiary ceasing to be a subsidiary of the issuer; or
 - (b) a percentage reduction of 20% or more of the issuer's equity interest in the principal subsidiary. For example, if the issuer has a 70% interest in a principal subsidiary, shareholder approval will be required for any issue of shares in the principal subsidiary reducing the issuer's equity interest to 56%.

under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them, pro rata (apart from fractional entitlements) to their existing holdings; or

- (b) if, but only to the extent that, the existing shareholders of the issuer have by ordinary resolution in general meeting given a general mandate to the directors of the issuer, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of securities allotted or agreed to be allotted must not exceed the aggregate of (i) 20% of the number of issued shares of the issuer as at the date of the resolution granting the general mandate (or in the case of a scheme of arrangement involving an introduction in the circumstances set out in Rule 7.14(3) of the Listing Rules, 20% of the number of issued shares of an overseas issuer following the implementation of such scheme) and (ii) the number of such securities repurchased by the issuer itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the number of issued shares of the issuer as at the date of the resolution granting the repurchase mandate), provided that the existing shareholders of the issuer have by a separate ordinary resolution in general meeting given a general mandate to the directors of the issuer to add such repurchased securities to the 20% general mandate.

A general mandate given to directors to issue and allot shares under Rule 13.36(2) of the Listing Rules shall only continue in force until

Rule 806(1), Catalyst Listing Manual

Subject to Rule 803, approval by an issuer's shareholders under Rule 805(1) is not required if shareholders had, by resolution in a general meeting, given a general mandate to the directors of the issuer, either unconditionally or on such conditions to issue:

- (a) shares; or
- (b) convertible securities; or
- (c) additional convertible securities issued pursuant to Rule 829, notwithstanding that the general mandate may have ceased to be in force at the time the securities are issued, provided that the adjustment does not give the holder a benefit that a shareholder does not receive; or
- (d) shares arising from the conversion of the securities in (b) and (c), notwithstanding that the general mandate may have ceased to be in force at the time the shares are to be issued.

Rule 806(2), Catalyst Listing Manual

A general mandate must limit the aggregate number of shares and convertible securities that may be issued according to the limits in Rules 806(2)(a) and (b) below. Unless prior shareholder approval is required under the Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the following limits.

- (a) If shareholders approve the mandate by ordinary resolution, the limit must be not more than 100% of the total number of issued shares excluding treasury shares and subsidiary holdings, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 50% of the total number of issued shares excluding treasury shares and subsidiary holdings; or
- (b) If shareholders approve the mandate by special resolution, the limit on the aggregate number of shares and convertible securities issued, whether on a pro rata or non pro rata basis, may be up to 100% of the total number of issued shares excluding treasury shares and

(a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or (b) revoked or varied by ordinary resolution of the shareholders at general meeting, whichever occurs first.

subsidiary holdings. Shareholder approval under Rule 806(2)(b) must not be deemed by way of subscription for shares.

Rule 806(3), Catalist Listing Manual

For the purpose of Rule 806(2), the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings is based on the issuer's total number of issued shares excluding treasury shares and subsidiary holdings at the time of the passing of the resolution approving the mandate after adjusting for:

- (a) new shares arising from the conversion or exercise of convertible securities;
- (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8; and
- (c) any subsequent bonus issue, consolidation or subdivision of shares.

Rule 806(5), Catalist Listing Manual

An issuer cannot rely on the general mandate for an issue of convertible securities if the maximum number of shares to be issued upon conversion cannot be determined at the time of issue of the convertible securities.

Rule 806(6), Catalist Listing Manual

A general mandate may remain in force until the earlier of the following:

- (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution. By a resolution passed at that meeting, the mandate may be renewed, either unconditionally or subject to conditions; or
- (b) it is revoked or varied by ordinary resolution of the shareholders in general meeting.

2. Rule 13.36(5), Listing Rules: Placing of Securities for Cash

In the case of a placing of securities for cash consideration, the issuer may not issue any securities pursuant to a general mandate given under Rule 13.36 (2)(b) of the Listing Rules if the relevant price represents a discount of 20% or more to the benchmarked price of the securities, such benchmarked price being the higher of:

- (a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate; and
- (b) the average closing price in the five trading days immediately prior to the earlier of:
 - (i) the date of the announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate;
 - (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and
 - (iii) the date on which the placing or subscription price is fixed,

unless the issuer can satisfy the Hong Kong Stock Exchange that it is in a serious financial position and that the only way it can be saved is by an urgent rescue operation which involves the issue of new securities at a price representing a discount of 20% or more to the benchmarked price of the securities or that there are other exceptional circumstances. The issuer shall provide the Hong Kong Stock Exchange with detailed information on the allottees to be issued with securities under the general mandate.

Issue of Shares, Company Warrants and Convertible Securities for Cash (Other than Rights Issue)

Rule 810(1), Catalist Listing Manual

An issuer which intends to issue shares, company warrants or other convertible securities for cash must announce the issue promptly.

Rule 811(1), Catalist Listing Manual

An issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If trading in the issuer's shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement agreement is signed.

Rule 811(2), Catalist Listing Manual

An issue of company warrants or other convertible securities is subject to the following requirements:

- (a) If the conversion price is fixed, the price must not be more than 10% discount to the prevailing market price of the underlying shares prior to the signing of the placement or subscription agreement.
- (b) If the conversion price is based on a formula, any discount in the price-fixing formula must not be more than 10% of the prevailing market price of the underlying shares before conversion.

Rule 811(3), Catalist Listing Manual

Rule 811(1) and (2) is not applicable if specific shareholder approval is obtained for the issue of shares, company warrants or other convertible securities.

Rule 15.02, Listing Rules: Options, Warrants and Similar Rights

All warrants must, prior to the issue or grant thereof, be approved by the Hong Kong Stock Exchange and in addition, where they are warrants to subscribe equity securities, by the shareholders in general meeting (unless they are issued by the directors under the authority of a general mandate granted to them by shareholders in accordance with Rule 13.36(2) of the Listing Rules). In the absence of exceptional circumstances which would include, by way of example, a rescue reorganisation, the Hong Kong Stock Exchange will only grant approval to the issue or grant of warrants to subscribe securities if the following requirements are complied with:

- (1) the securities to be issued on exercise of the warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the number of issued shares of the issuer at the time such warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of this limit; and
- (2) such warrants must expire not less than one and not more than five years from the date of issue or grant and must not be convertible into further rights to subscribe securities which expire less than one year or more than five years after the date of issue or grant of the original warrants.

Rule 15.03, Listing Rules

The circular or notice to be sent to shareholders convening the requisite meeting under Rule 15.02 of the Listing Rules must include, at least, (1) the maximum number of securities which could be issued on exercise of the

Rule 811(4), Catalyst Listing Manual

Where specific shareholders' approval is sought, the circular must include the following:

- (a) information required under Rule 810; and
- (b) the basis upon which the discount was determined.

Issue of Company Warrants and Other Convertible Securities**Rule 824, Catalyst Listing Manual**

Every issue of company warrants or other convertible securities not covered under a general mandate must be specifically approved by shareholders in general meeting.

Rule 825, Catalyst Listing Manual

In procuring the approval of shareholders in a general meeting, the circular to the shareholders must include the recommendation(s) of the board of directors of the issuer on such an issue of company warrants or convertible securities and the basis for such recommendation(s).

Rule 826, Catalyst Listing Manual

When listing company warrants or other convertible securities, the issuer should ensure a sufficient spread of holdings to provide for an orderly market in the securities. As a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants.

Rule 827, Catalyst Listing Manual

Company warrants or other convertible securities may be listed only if the underlying securities are (or will become at the same time) one of the following:

- (1) A class of equity securities listed on the SGX-ST.
- (2) A class of equity securities listed or dealt in on a stock market approved by the SGX-ST.

warrants, (2) the period during which the warrants may be exercised and the date when this right commences, (3) the amount payable on the exercise of the warrants, (4) the arrangements for transfer or transmission of the warrants, (5) the rights of the holders on the liquidation of the issuer, (6) the arrangements for the variation in the subscription or purchase price or number of securities to take account of alterations to the share capital of the issuer, (7) the rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the issuer, and (8) a summary of any other material terms of the warrants.

Rule 828, Catalist Listing Manual

Each company warrant must:

- (1) give the registered holder the right to subscribe for or buy one share of the issuer; and
- (2) not be expressed in terms of dollar value.

Rule 829, Catalist Listing Manual

The terms of the issue must provide for:

- (1) adjustment to the exercise or conversion price and, where appropriate, the number of company warrants or other convertible securities, in the event of rights, bonus or other capitalisation issues;
- (2) the expiry of the company warrants or other convertible securities to be announced, and notice of expiry to be sent to all holders of the company warrants or other convertible securities at least 1 month before the expiration date; and
- (3) Any material alteration to the terms of company warrants or other convertible securities after issue to the advantage of the holders of such securities to be approved by shareholders, except where the alterations are made pursuant to the terms of the issue.

Rule 830, Catalist Listing Manual

An issuer must announce any adjustment made pursuant to Rule 829(1).

Rule 831, Catalist Listing Manual

An issuer must not:

- (a) extend the exercise period of an existing company warrant;
- (b) issue a new company warrant to replace an existing company warrant;

- (c) change the exercise price of an existing company warrant except where the alterations are made pursuant to the terms of an issue pursuant to Rule 829(1); or
- (d) change the exercise ratio of an existing company warrant.

Rule 832, Catalyst Listing Manual

A circular or notice to be sent to shareholders in connection with a general meeting to approve the issue of company warrants or other convertible securities must include at least the following information:

- (1) The maximum number of the underlying securities which would be issued or transferred on exercise or conversion of the company warrants or other convertible securities.
- (2) The period during which the company warrants or other convertible securities may be exercised and the dates when this right commences and expires.
- (3) The amount payable on the exercise of the company warrants or other convertible securities.
- (4) The arrangements for transfer or transmission of the company warrants or other convertible securities.
- (5) The rights of the holders on the liquidation of the issuer.
- (6) The arrangements for the variation in the subscription or purchase price and in the number of company warrants or other convertible securities in the event of alterations to the share capital of the issuer.
- (7) The rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the issuer.
- (8) A summary of any other material terms of the company warrants or other convertible securities.

(9) The purpose for and use of proceeds of the issue, including the use of future proceeds arising from the conversion/exercise of the company warrants or other convertible securities.

(10) The financial effects of the issue to the issuer.

3. Rules 7.19(6), Listing Rules: Rights Issue

If the proposed rights issue would increase either the number of issued shares or the market capitalisation of the issuer by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers):

- (a) the rights issue must be made conditional on approval by shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour. The issuer must disclose the information required under Rule 2.17 of the Listing Rules in the circular to shareholders;
- (b) the issuer shall set out in the circular to shareholders the purpose of the proposed rights issue, together with the total funds expected to be raised and a detailed breakdown and description of the proposed use of the proceeds. The issuer shall also include the total funds raised and a detailed breakdown and description of the funds raised on any issue of equity securities in the 12 months immediately

Chapter 8 Part V: Rights Issues

Rule 814, Catalyst Listing Manual

- (1) An issuer which intends to make a rights issue must announce (having regard to Rule 704(24)) the issue promptly. The announcement must include the following:
 - (a) price, terms and purpose of the issue;
 - (b) the amount of proceeds proposed to be raised;
 - (c) breakdown of the proposed use of proceeds;
 - (d) where the issue is proposed to be used mainly for general working capital purposes, the issuer must provide reasons for such use taking into account its working capital position;
 - (e) whether the issuer's directors are of the opinion that, after taking into consideration:
 - (i) the present bank facilities, the working capital available to the group is sufficient to meet its present requirements and if so, the directors must provide reasons for the issue; and
 - (ii) the present bank facilities and net proceeds of the issue, the working capital available to the group is sufficient to meet its present requirements;
 - (f) whether the issue will be underwritten;

- preceding the announcement of the proposed rights issue, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount; and
- (c) the Hong Kong Stock Exchange reserves the right to require the rights issue to be fully underwritten.
- (g) the financial circumstances which call for the issue; and
- (h) whether it has obtained a listing and quotation notice from the SGX-ST or will be seeking the listing and quotation of the new shares arising from the rights issue.

In addition, an issuer must observe the disclosure requirements in Appendix 8A.

- (2) If a rights issue involves an issue of convertible securities, the issuer must also comply with Part VI of Chapter 8 of the Catalist Listing Manual.
- (3) In the allotment of any excess rights shares, a confirmation to the sponsor that preference will be given to the rounding of odd lots. Directors and substantial shareholders who have control or influence over the issuer in connection with the day-to-day affairs of the issuer or the terms of the rights issue, or have representation (direct or through a nominee) on the board of the issuer will rank last in priority for the rounding of odd lots and allotment of excess rights shares.

Rule 815, Catalist Listing Manual

An issuer must announce any significant disbursement of the proceeds raised from the rights issue.

Rule 816, Catalist Listing Manual

- (1) Subject to Rule 816(2), a rights issue must provide for the rights to subscribe for securities to be renounceable in part or in whole in favour of a third party at the option of the entitled shareholders.
- (2) (a) An issuer can undertake non-renounceable rights issues:
- (i) subject to specific shareholders' approval; or
- (ii) in reliance on the general mandate to issue rights shares in a non-renounceable rights issue if the

rights shares are priced at not more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the rights issue is announced. If trading in the issuer's shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the rights issue is announced.

- (b) The non-renounceable rights issue must comply with Part V of Chapter 8 except Rule 816(1).

Rule 821, Catalist Listing Manual

No date must be fixed for the closing of books until the SGX-ST has issued a listing and quotation notice.

Rule 823(2), Catalist Listing Manual

An issuer making a rights issue must observe any time-table published by the SGX-ST.

Rule 833, Catalist Listing Manual

The following additional requirements apply to an offer of company warrants or other convertible securities by way of a rights issue or bought deal:

- (1) The issuer's announcement of the rights issue or bought deal must include either:
 - (a) the exercise or conversion price of the company warrants or other convertible securities, or
 - (b) a price-fixing formula to determine the exercise or conversion price. The price-fixing formula must not contain any discretionary element and the amount of premium or discount (in relation to the underlying share price) must be specified.
- (2) Where a price-fixing formula is adopted:
 - (a) if the issue is not underwritten, the issuer must fix and announce the exercise or conversion price before the close of the offer; or

(b) if the issue is underwritten, the issuer must fix and announce the exercise or conversion price before the commencement of nil-paid rights trading.

(3) An offer of company warrants or convertible securities by way of a bought deal must comply with Part V of Chapter 8 of the Catalist Listing Manual.

4. Rule 17.03, Listing Rules: Terms of Share Option Schemes

The terms and provisions of the scheme must provide, *inter alia*:

- (i) the total number of securities which may be issued upon exercise of all options to be granted under the scheme and any other schemes must not in aggregate exceed 10% of the relevant class of securities of the listed issuer (or the subsidiary) in issue as at the date of approval of the scheme — the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer (or the subsidiary) in issue from time to time. No options may be granted under any schemes of the listed issuer (or the subsidiary) if this will result in the limit being exceeded. The period within which the securities must be taken up under the option must not be more than 10 years from the date of grant of the option, and the life of the scheme must not be more than 10 years;
- (ii) the maximum entitlement of each participant under the scheme (including both exercised and outstanding options) in any 12 month period must not exceed 1% of the relevant class of securities of the issuer (or the subsidiary) in issue; and

Terms of Schemes

Rule 843, Catalist Listing Manual

Participation in a scheme must be restricted to directors and employees of the issuer and its subsidiaries, except that:

- (1) directors and employees of an associated company of the issuer may participate in the scheme if the issuer has control over the associated company.
- (2) directors and employees of the issuer's parent company and its subsidiaries who have contributed to the success and development of the issuer may participate in the scheme.

Rule 844, Catalist Listing Manual

A limit on the size of each scheme, the maximum entitlement for each class or category of participant (where applicable), and the maximum entitlement for any one participant (where applicable) must be stated.

- (iii) the basis of determination of the exercise price — the exercise price of the scheme, which must be at least the higher of: (i) the closing price of the securities as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the securities as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. For the purpose of calculating the exercise price where an issuer has been listed for less than five business days, the new issue price shall be used as the closing price for any business day falling within the period before listing.

5. Section 270 of the SFO: Insider dealing

In general terms, subject to the specified exempted circumstances, Section 270 of the SFO prohibits persons from dealing in listed securities (or their derivatives) of a corporation, or otherwise counsels or procures another person to deal in such listed shares (or their derivatives) when such person is connected with the corporation and has information which he knows is relevant information in relation to the corporation.

Section 278 of the SFO: Stock Market Manipulation

Section 278 of the SFO prohibits persons in Hong Kong or elsewhere from:

- (a) entering into or carrying out, directly or indirectly, two or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction increase, or are likely to increase, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to purchase or subscribe for, or to refrain from selling, securities of the corporation or of a related corporation of the corporation;

Sections 218 and 219, Singapore Securities and Futures Act

Sections 218 and 219 of the Singapore Securities and Futures Act prohibit persons from dealing in securities of a corporation if any such person knows or reasonably ought to know that he is in possession of information that is not generally available, and if it was generally available it might have a material effect on the price or value of securities of that corporation.

Such persons include:

- (1) officers of a corporation or a related corporation;
- (2) substantial shareholders of a corporation or a related corporation; and
- (3) a person who occupies a position reasonably expected to give him access to inside information by virtue of:
 - (a) any professional or business relationship existing between himself (or his employer or a corporation of which he is an officer) and that corporation or a related corporation; or
 - (b) being an officer of a substantial shareholder in that corporation or in a related corporation.

- (b) entering into or carrying out, directly or indirectly, two or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction reduce, or are likely to reduce, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to sell, or to refrain from purchasing, securities of the corporation or of a related corporation of the corporation; or
- (c) entering into or carrying out, directly or indirectly, two or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction maintain or stabilise, or are likely to maintain or stabilise, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to sell, purchase or subscribe for, or to refrain from selling, purchasing or subscribing for, securities of the corporation or of a related corporation of the corporation.

BOARD COMPOSITION

Rules 3.10, 3.10a and 8.12

Every board of directors of an issuer must include at least three independent non-executive directors; and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise. An issuer must appoint independent non-executive directors representing at least one-third of the board.

A new applicant applying for a primary listing on the Hong Kong Stock Exchange must have sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

Section 198(1), Singapore Securities and Futures Act: Securities Market Manipulation

No person shall effect, take part in, be concerned in or carry out, directly or indirectly, two (2) or more transactions in securities of a corporation, being transactions that have or likely to have the effect of raising, lowering, maintaining or stabilising the price of the securities with intent to induce other persons to subscribe for, purchase or sell securities of the corporation or of a related corporation.

Chairman and Chief Executive Officer

Principle 3 of the Code of Corporate Governance (“COCG”)

Guideline 3.1, COCG

The Chairman of the board of directors (the “Chairman”) and the chief executive officer (or equivalent) (the “CEO”) should in principle be separate persons, to ensure an appropriate balance of power, increased accountability and greater capacity of the board of directors for independent decision making. The division of responsibilities between the Chairman and the CEO should be clearly established, set out in writing and agreed by the board of directors. In addition, the board of directors should disclose the relationship between the Chairman and the CEO if they are immediate family members.

Rules 3.21, 3.22 and paragraph C.3.3 of Appendix 14, Listing Rules: Audit Committee

Every listed issuer must establish an audit committee comprising non-executive directors only. The audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise. The majority of the audit committee members must be independent non-executive directors of the listed issuer. The audit committee must be chaired by an independent non-executive director. The board of directors of the issuer must approve and provide written terms of reference as required under Rule 3.22 and paragraph C.3.3 of Appendix 14 to the Listing Rules for the audit committee.

Guideline 3.3, COCG

Every company should appoint an independent director to be the lead independent director where:

- (a) the Chairman and the CEO is the same person;
- (b) the Chairman and the CEO are immediate family members;
- (c) the Chairman is part of the management team;
or
- (d) the Chairman is not an independent director.

The lead independent director (if appointed) should be available to shareholders where they have concerns and for which contact through the normal channels of the Chairman, the CEO or the chief financial officer (or equivalent) has failed to resolve or is inappropriate.

Audit Committee**Principle 12, COCG**

The board of directors should establish an audit committee (“AC”) with written terms of reference which clearly set out its authority and duties.

Guideline 12.1, COCG

The AC should comprise at least three (3) directors, the majority of whom, including the AC chairman, should be independent. All of the members of the AC should be non-executive directors.

Guideline 12.2, COCG

The board of directors should ensure that the members of the AC are appropriately qualified to discharge their responsibilities. At least two (2) members of the AC, including the AC chairman, should have recent and relevant accounting or related financial management expertise or experience, as the board of directors interprets such qualification in its business judgment.

Section 201B, Singapore Companies Act

- (1) Every listed company shall have an audit committee.
- (2) An audit committee shall be appointed by the directors from among their number (pursuant to a resolution of the board of directors) and shall be composed of 3 or more members of whom a majority shall not be
 - (a) executive directors of the company or any related corporation;
 - (b) a spouse, parent, brother, sister, son or adopted son or daughter or adopted daughter of an executive director of the company or of any related corporation; or
 - (c) any person having a relationship which, in the opinion of the board of directors, would interfere with the exercise of independent judgment in carrying out the functions of an audit committee.
- (3) The members of an audit committee shall elect a chairman from among their number who is not an executive director or employee of the company or any related corporation.
- (4) If a member of an audit committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below 3, the board of directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

Rules 3.25, 3.26 and paragraph B.1.2 of Appendix 14, Listing Rules: Remuneration Committee

An issuer must establish a remuneration committee chaired by an independent non-executive director and comprising a majority of independent non-executive directors, with specific terms of reference that clearly establish its authority and duties, including the terms of references set out in paragraph B.1.2 of Appendix 14 to the Listing Rules. The board of directors must approve and provide written terms of reference for the remuneration committee which clearly establish its authority and duties.

Paragraphs A.5.1 and A.5.2 of Appendix 14 of the Listing Rules: Nomination Committee

Issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The nomination committee should be established with specific written terms of reference which deal clearly with its authority and duties and should perform the duties as set out in paragraph A.5.2 of Appendix 14 to the Listing Rules.

Remuneration Committee**Principle 7, COCG**

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Guideline 7.1, COCG

The board of directors should establish a remuneration committee (“RC”) with written terms of reference which clearly set out its authority and duties. The RC should comprise at least three (3) directors, the majority of whom, including the RC chairman, should be independent. All of the members of the RC should be non-executive directors.

Nominating Committee**Principle 4, COCG**

There should be a formal and transparent process for the appointment and re-appointment of directors to the board of directors.

Guideline 4.1, COCG

The board of directors should establish a nominating committee (“NC”) to make recommendations to the board of directors on all board appointments, with written terms of reference which clearly set out its authority and duties. The NC should comprise at least three (3) directors, the majority of whom, including the NC chairman, should be independent. The lead independent director, if any, should be a member of the NC.

INTERESTED PERSON TRANSACTIONS OR CONNECTED TRANSACTIONS**Chapter 14A of the Listing Rules (Connected Transactions)**

Chapter 14A of the Listing Rules specifies circumstances in which transactions between an issuer and certain specified persons (including connected persons) are, unless otherwise exempted, subject to the shareholders’ approval, annual review and disclosure requirements.

Chapter 9 of the Catalist Listing Manual (Interested Person Transactions)

Chapter 9 of the Catalist Listing Manual, which applies to the Company, prescribes situations in which transactions between entities at risk (as defined in the Catalist Listing Manual) and interested

persons (as defined in the Catalist Listing Manual) are required to be disclosed or are subject to the prior approval of shareholders.

Rules 14A.07 and 14A.24, Listing Rules

“Connected person” is defined to include a director, chief executive or substantial shareholder of the listed issuer or any of its subsidiaries, any person who was a director of the listed issuer or any of its subsidiaries in the last 12 months, a supervisor of a PRC issuer or any of its subsidiaries, an associate of the respective persons as aforesaid, a connected subsidiary, or a person deemed to be connected by the Hong Kong Stock Exchange.

“Transaction” include both capital and revenue nature transactions, whether or not conducted in the ordinary and usual course of business of the listed issuer’s group. This includes the following types of transactions:

- (a) the acquisition or disposal of assets by a listed issuer’s group including deemed disposals;
- (b) any transaction involving a listed issuer’s group granting, accepting, transferring, exercising or terminating an option to acquire or dispose of assets or to subscribe for securities; or the listed issuer’s group deciding not to exercise an option to acquire or dispose of assets or to subscribe for securities;
- (c) entering into or terminating finance leases or operating leases or sub-leases;
- (d) granting an indemnity or providing or receiving financial assistance. “Financial assistance” includes granting credit, lending money, or providing an indemnity against obligations under a loan, or guaranteeing or providing security for a loan;
- (e) entering into an agreement or arrangement to set up a joint venture entity in any form, such as a partnership or a company, or any other form of joint arrangement;
- (f) issuing new securities of the listed issuer or its subsidiaries;

Rule 904, Catalist Listing Manual

For the purposes of Chapter 9, the following definitions apply:

- (1) “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9.
- (2) “entity at risk” means:
 - (a) the issuer;
 - (b) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
 - (c) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.
- (3) “financial assistance” includes:
 - (a) the lending or borrowing of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and
 - (b) the forgiving of a debt, the releasing of or neglect in enforcing an obligation of another, or the assuming of the obligations of another.
- (4) “interested person” means:
 - (a) a director, chief executive officer, or controlling shareholder of the issuer; or
 - (b) an associate of any such director, chief executive officer, or controlling shareholder.

- (g) providing, receiving or sharing of services; or
- (h) acquiring or providing raw materials, intermediate products and/or finished goods.
- (5) “interested person transaction” means a transaction between an entity at risk and an interested person.
- (6) “transaction” includes:
- (a) the provision or receipt of financial assistance;
 - (b) the acquisition, disposal or leasing of assets;
 - (c) the provision or receipt of services;
 - (d) the issuance or subscription of securities;
 - (e) the granting of or being granted options; and
 - (f) the establishment of joint ventures or joint investments;
- whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).
- (7) “defence funding” means:
- (a) The provision of a loan to a director or a chief executive officer of an entity at risk to meet expenditure incurred or to be incurred:
 - (i) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by that person in relation to the entity at risk; or
 - (ii) in connection with an application for relief; or
 - (iii) defending himself in an investigation by a regulatory authority or against any action proposed to be taken by a regulatory authority, in connection with any alleged negligence,

default, breach of duty or breach of trust in relation to the entity at risk; or

- (b) any action to enable such director or chief executive officer to avoid incurring such expenditure.

Rules 14A.35 to 37, 14A.49, 14A.71, 14A.76, Listing Rules: Reporting, Announcement and Independent Shareholders' Approval Requirements for Connected Transactions

Rules 14A.35, 14A.36 and 14A.47

Where any connected transaction is proposed, the transaction must be announced as soon as practicable after its terms have been agreed and where shareholders' approval for the connected transaction is required, a circular must be sent to shareholders giving information about the transaction. Prior approval of the shareholders in general meeting will be required before the transaction can proceed, unless it is otherwise exempted under the Listing Rules.

Rules 14A.37, 14A.73, 14A.76

Certain categories of transactions are exempt from the general meeting requirements and the Hong Kong Stock Exchange accepts a written shareholder's approval (subject to certain conditions as set out in Rule 14A.37 of the Listing Rules), and certain transactions are subject only to annual review and disclosure requirements. Amongst other exemptions under the Listing Rules, a connected transaction conducted on normal commercial terms or better will constitute a de minimis transaction under Rule 14A.76(1) of the Listing Rules, which will be exempt from shareholders' approval, annual review and all disclosure requirements, where each of the percentage ratios (other than the profits ratio) is less than 0.1% or less than 1% (where the connected transaction only involves a connected person at the issuer's subsidiary's level), or each of the percentage ratios (other than the profits ratio) is less than 5% and the total consideration is less than HK\$3,000,000.

General Requirements

Rule 905, Catalist Listing Manual

- (1) An issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited net tangible assets.
- (2) If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.
- (3) Rule 905(1) and (2) does not apply to any transaction below S\$100,000.

Rule 906, Catalist Listing Manual

- (1) An issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:
 - (a) 5% of the group's latest audited net tangible assets; or
 - (b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

- (2) Rule 906(1) does not apply to any transaction below S\$100,000.

Rules 14A.49, 14A.71, Listing Rules: Reporting Requirements

The listed issuer's annual report must contain the following information on the connected transactions conducted in that financial year (including continuing connected transactions under agreements signed in previous years):

- (1) the transaction date;
- (2) the parties to the transaction and a description of their connected relationship;
- (3) a brief description of the transaction and its purpose;
- (4) the total consideration and terms;
- (5) the nature of the connected person's interest in the transaction; and
- (6) for continuing connected transactions,
 - (a) confirmation from the listed issuer's independent non-executive directors on the matters set out in Rule 14A.55 of the Listing Rules; and
 - (b) statement from the listed issuer's board of directors whether the auditors have confirmed the matters set out in Rule 14A.56 of the Listing Rules.

Rule 907, Catalist Listing Manual

An issuer must disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report. The name of the interested person and the corresponding aggregate value of the interested person transactions entered into with the same interested person must be presented in the prescribed format.

General Mandate

Rule 920(1), Catalist Listing Manual

An issuer may seek a general mandate from shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

- (a) An issuer must:
 - (i) disclose the general mandate in the annual report, giving details of the aggregate value of transactions conducted pursuant to the general mandate during the financial year. The disclosure must be in the form set out in Rule 907; and
 - (ii) announce the aggregate value of transactions conducted pursuant to the general mandate for the financial periods which it is required to report on pursuant to Rule 705 within the time required for the announcement of such report. The disclosure must be in the form set out in Rule 907.
- (b) A circular to shareholders seeking a general mandate must include:
 - (i) the class of interested persons with which the entity at risk will be transacting;

- (ii) the nature of the transactions contemplated under the mandate;
 - (iii) the rationale for, and benefit to, the entity at risk;
 - (iv) the methods or procedures for determining transaction prices;
 - (v) the independent financial adviser's opinion on whether the methods or procedures in (iv) are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders;
 - (vi) an opinion from the audit committee if it takes a different view to the independent financial adviser;
 - (vii) a statement from the issuer that it will obtain a fresh mandate from shareholders if the methods or procedures in (iv) become inappropriate; and
 - (viii) a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.
- (c) An independent financial adviser's opinion is not required for the renewal of a general mandate provided that the audit committee confirms that:
- (i) the methods or procedures for determining the transaction prices have not changed since last shareholder approval; and
 - (ii) the methods or procedures in Rule 920(1)(c)(i) are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders.

- (d) Transactions conducted under a general mandate are not separately subject to Rules 905 and 906.

Rules 14A.81 to 14A.86 Listing Rules: Aggregation of Transactions

The Hong Kong Stock Exchange will aggregate a series of connected transactions and treat them as if they were one transaction if they were all entered into or completed within a 12 month period or are otherwise related. The listed issuer must comply with the applicable connected transaction requirements based on the classification of the connected transactions when aggregated. The aggregation period will cover 24 months if the connected transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover.

Factors that the Hong Kong Stock Exchange will consider for aggregation of a series of connected transactions include whether:

- (1) they are entered into by the listed issuer's group with the same party, or parties who are connected with one another;
- (2) they involve the acquisition or disposal of parts of one asset, or securities or interests in a company or group of companies; or
- (3) they together lead to substantial involvement by the listed issuer's group in a new business activity.

The Hong Kong Stock Exchange may aggregate all continuing connected transactions with a connected person.

The listed issuer must consult the Hong Kong Stock Exchange before the listed issuer's group enters into any connected transaction if:

- (1) the transaction and any other connected transactions entered into or completed by the listed issuer's group in the last 12 months fall under any of the circumstances described in Rule 14A.82 of the Listing Rules; or

Rule 908, Catalyst Listing Manual

In interpreting the term "same interested person" for the purpose of aggregation in Rules 905 and 906, the following applies:

- (1) Transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.
- (2) If an interested person, (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different.

As an example, Entity-At-Risk A, Listed B and Listed C are all subsidiaries of Ultimate D. Listed B, Listed C and Ultimate D have boards, the majority of whose directors are different and are not accustomed to act on the instructions of Ultimate D and its associates and have audit committees whose members are completely different. Transactions between Entity-At-Risk A and Listed B need not be aggregated with transactions between Entity-At-Risk A and Listed C or with transactions between Entity-At-Risk A and Ultimate D.

Shareholder Approval

Rule 918, Catalyst Listing Manual

If a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

- (2) the transaction and any other transactions entered into by the listed issuer's group involve the acquisition of assets from a person or group of persons or any of their associates within 24 months after the person(s) gain control (as defined in the Takeovers Code) of the listed issuer.

The listed issuer must provide information to the Hong Kong Stock Exchange on whether it should aggregate the transactions.

The Hong Kong Stock Exchange may aggregate a listed issuer's connected transactions even if the listed issuer has not consulted the Hong Kong Stock Exchange.

Rules 14A.76, 14A.89, 14A.92 to 14A.95, 14A.97 to 14A.101, Listing Rules: Exemptions

The connected transactions which can be exempt from the connected transaction requirements include:

- (1) de minimis transactions;
- (2) financial assistance;
- (3) issue of new securities by the listed issuer or its subsidiary if (a) the connected person receives a pro rata entitlement to the issue as a shareholder; (b) the connected person subscribes for the securities in a rights issue or open offer; (c) the securities are issued to the connected person under a share option scheme; or (d) the securities are issued under a "top-up placing and subscription";
- (4) dealings in securities on the Hong Kong Stock Exchange as prescribed under Rule 14A.93 of the Listing Rules;
- (5) any repurchase of own securities by a listed issuer or its subsidiary from a connected person on Stock Exchange or a recognised stock exchange or under a general offer made under the Code on Share Buy-backs;
- (6) the entering into of a service contract by a director of the listed issuer with the listed issuer or its subsidiary;

Rule 919, Catalist Listing Manual

In a meeting to obtain shareholder approval, the interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

Exceptions

Rule 915, Catalist Listing Manual

The following transactions are not required to comply with Rules 905, 906 and 907:

- (1) A payment of dividends, a subdivision of shares, an issue of securities by way of a bonus issue, a preferential offer, or an off-market acquisition of the issuer's shares, made to all shareholders on a pro-rata basis, including the exercise of rights, options or company warrants granted under the preferential offer.
- (2) The grant of options, and the issue of securities pursuant to the exercise of options, under an employees' share option scheme for which a listing and quotation notice has been issued by the SGX-ST.
- (3) A transaction between an entity at risk and an investee company, where the interested person's interest in the investee company, other than that held through the issuer, is less than 5%.
- (4) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the issuer at the time of the transaction.

- (7) the acquisition as consumer or selling consumer goods or services to a connected person on normal commercial terms or better in its ordinary and usual course of business if such goods and services are (a) of a type ordinarily supplied for private use or consumption, (b) for the acquirer's own consumption or use, (c) consumed or used by the acquirer in the same state as when they were acquired, (d) on terms no more favorable to the connected person or no less favorable to the listed issuer's group than those available from independent third parties;
- (8) the sharing of administrative services between the listed issuer's group and a connected person on a cost basis;
- (9) transactions with associates of passive investors; and
- (10) transactions with connected persons at the subsidiary level.
- (5) A transaction between an entity at risk and an interested person for the provision of goods or services if:
- (a) the goods or services are sold or rendered based on a fixed or graduated scale, which is publicly quoted; and
 - (b) the sale prices are applied consistently to all customers or class of customers.
- Such transactions include telecommunication and postal services, public utility services, and sale of fixed price goods at retail outlets.
- (6) The provision of financial assistance or services by a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business.
- (7) The receipt of financial assistance or services from a financial institution that is licensed or approved by the Authority, on normal commercial terms and in the ordinary course of business.
- (8) Director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments).
- (9) Insurance coverage and indemnities for directors and chief executive officers against liabilities attaching to them in relation to their duties as officers of the entity at risk, to the extent permitted under the Singapore Companies Act, and regardless of whether the entity at risk is subject to the Singapore Companies Act.
- (10) Defence funding for directors and chief executive officers of the entity at risk to the extent permitted under sections 163A and 163B of the Singapore Companies Act, regardless of whether the entity at risk is subject to the Singapore Companies Act, provided that in the case of defence funding permitted under section 163B of the Singapore Companies Act, such defence funding is to be repaid upon any action taken by a regulatory authority against him. For

this purpose, references to “director” in sections 163A and 163B of the Singapore Companies Act shall be read as references to “director or chief executive officer”.

In the case of defence funding under section 163A of the Singapore Companies Act, defence funding shall be repaid in accordance with the timeline stipulated in section 163A(2)(b) of the Singapore Companies Act.

Rule 916, Catalist Listing Manual

The following transactions are not required to comply with Rule 906:

- (1) The entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by independent valuation.
- (2) Investment in a joint venture with an interested person if:
 - (a) the risks and rewards are in proportion to the equity of each joint venture partner;
 - (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
 - (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.
- (3) The provision of a loan to a joint venture with an interested person if:
 - (a) the loan is extended by all joint venture partners in proportion to their equity and on the same terms;

- (b) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture; and
- (c) the issuer confirms by an announcement that its audit committee is of the view that:
 - 1. the provision of the loan is not prejudicial to the interests of the issuer and its minority shareholders; and
 - 2. the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders.
- (4) The award of a contract by way of public tender to an interested person if:
 - (a) the awarder entity at risk announces following information:
 - (i) the prices of all bids submitted;
 - (ii) an explanation of the basis for selection of the winning bid; and
 - (b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awarder (or if the awarder is unlisted, its listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.
- (5) The receipt of a contract which was awarded by way of public tender, by an interested person if:
 - (a) the bidder entity at risk announces the prices of all bids submitted; and

- (b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awarder (or if the awarder is unlisted, the listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.

RESTRICTIONS ON DEALINGS OF DIRECTORS BEFORE PUBLICATION OF THE FINANCIAL RESULTS

Rules A3, B8, B9 and C14 of Appendix 10, Listing Rules Rule 1204(19)(c), Catalyst Listing Manual

Rule A3

A director must not deal in any securities of the listed issuer on any day on which its financial results are published and:

- (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional as described in Rule C14 below. In any event, the director must comply with the procedure in the Rules B.8 and B.9 of the Model Code for Securities Transactions by Directors of Listed Issuers (the “Directors Dealing Code”).

A listed issuer and its officers should not deal in the listed issuer’s securities during the period commencing two weeks before the announcement of the company’s financial statements for each of the first three quarters of its financial year and one month before the announcement of the company’s full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of the company’s half year and full year financial statements (if not required to announce quarterly financial statements).

The listed issuer must notify the Hong Kong Stock Exchange in advance of the commencement of each period during which directors are not allowed to deal under Rule A.3 of the Directors Dealing Code. Such period will cover any period of delay in the publication of a results announcement.

Rule C14

If a director proposes to sell or otherwise dispose of securities of the listed issuer under exceptional circumstances where the sale or disposal is otherwise prohibited under the Directors Dealing Code, the director must comply with the provisions of the Rule B.8 of the Directors Dealing Code regarding prior written notice and acknowledgement. The director must satisfy the chairman or the designated director that the circumstances are exceptional and the proposed sale or disposal is the only reasonable course of action available to the director before the director can sell or dispose of the securities. The listed issuer shall give written notice of such sale or disposal to the Hong Kong Stock Exchange as soon as practicable stating why it considered the circumstances to be exceptional. The listed issuer shall publish an announcement in accordance with Rule 2.07C of the Listing Rules immediately after any such sale or disposal and state that the chairman or the designated director is satisfied that there were exceptional circumstances for such sale or disposal of securities by the director.

Rule B8

Under the Directors Dealing Code, a director must not deal in any securities of the issuer without first notifying in writing the chairman or a director (otherwise than himself) designated by the board for the specific purpose and receiving a dated written acknowledgement. In his own case, the chairman must first notify the board at a board meeting, or alternatively notify a director (otherwise than himself) designated by the board for the purpose and receive a dated written acknowledgement before any dealing. The designated director must not deal in any securities of the listed issuer without first notifying the chairman and receiving a dated written acknowledgement.

In each case, (a) a response to a request for clearance to deal must be given to the relevant director within five business days of the request being made; and (b) the clearance to deal in accordance with (a) above must be valid for no longer than five business days of clearance being received.

Rule B9

The procedure established within the listed issuer must, as a minimum, provide for there to be a written record maintained by the listed issuer that the appropriate notification was given and acknowledged pursuant to Rule B.8 of the Directors Dealing Code, and for the director concerned to have received written confirmation to that effect.

II. Takeover Obligations

1. The Singapore Takeovers Code

The Singapore Takeovers Code regulates the acquisition of ordinary shares of public companies and contains certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest, either on his own or together with persons acting in concert with him, in 30.0% or more of the Company's voting Shares, or, if such person holds, either on his own or together with persons acting in concert with him, between 30.0% and 50.0% (both inclusive) of the Company's voting Shares, and if he (or persons acting in concert with him) acquires additional voting Shares representing more than 1.0% of the Company's voting Shares in any six (6) month period, must, except with the consent of the Securities Industry Council in Singapore, extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Takeovers Code.

"Persons acting in concert" comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Without prejudice to the general application of this definition, the following individuals and companies are presumed to be acting in concert with each other (unless the contrary is established). They are as follows:

- a company and its related companies, the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

- a company and any of its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- a company and any of its pension funds and employee share schemes;
- a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- a financial or other professional adviser and its clients in respect of shares held by the adviser and persons controlling, controlled by or under the same control as the adviser and all the funds managed by the adviser on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- directors of a company (including their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;
- partners; and
- an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

A mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or persons acting in concert with the offeror within the six (6) months preceding the acquisition of Shares that triggered the mandatory offer obligation. Under the Singapore Takeovers Code, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

Following the conclusion of an offer, pursuant to Section 215 of the Singapore Companies Act, if an offeror acquires 90.0% of the shares of the offeree company, it may, by notice to the dissenting shareholders, acquire their shares. In calculating the 90% threshold, shares held or acquired by the offeror, its related corporations and their respective nominees are excluded. The notice must be sent within two months of the satisfaction of the 90% threshold. The shareholder whose shares are thus to be acquired may apply to court for an order that the offeror is not entitled to acquire the shares, or specifying different acquisition. A minority shareholder may serve a notice requiring the offeror to acquire its shares within three (3) months from the date of giving of the notice by the offeror of the fact that the offeror has acquired 90% of the shares of the offeree company. The offeror is then obliged to acquire the shareholder's shares on the same terms as the other shares were acquired during the offer.

2. *The Takeovers Code*

Public companies with a primary listing of their equity securities in Hong Kong fall within the regulatory framework of the Takeovers Code. The Takeovers Code is not legally enforceable. Its purpose is to provide guidelines for companies and their advisers contemplating, or becoming involved in, takeovers and mergers affecting public companies in Hong Kong.

The aim of the Takeovers Code is to ensure fair treatment of shareholders who are affected by takeovers, mergers and share buy-backs. It requires the timely disclosure of adequate information to enable shareholders to make an informed decision as to the merits of any offer. It also provides an orderly framework within which takeovers, mergers and share buy-backs are to be conducted.

The Takeovers Code regulates acquisitions of shares (whether by way of takeovers, mergers and share buy-back) in an offeree company and a potential offeree company, or a company in which control may change or be consolidated would be relevant. Control is currently defined as a holding, or aggregate holdings, of 30.0% or more of the voting rights of a company, irrespective of whether that holding or holdings gives de facto control.

The Takeovers Code also applies not only to the offeror and the offeree company, but also to those persons "acting in concert" with the offeror. Under the Takeovers Code, "persons acting in concert" are persons who "pursuant to an agreement or understanding (whether formal or informal), actively cooperate to obtain or consolidate control of a company through the acquisition by any of them of voting rights of the company". The Takeovers Code also describes classes of persons who are presumed to be acting in concert with others in the same class unless the contrary is established.

The Takeovers Code requires the making of a mandatory general offer to holders of each class of equity share capital of the offeree company, whether the class carries voting rights or not, and also to the holders of any class of voting non-equity share capital in which such person, or persons acting in concert with him, hold shares, unless a waiver has been granted by the executive of the Securities and Futures Commission, where a person or a group of persons acting in concert (a) acquires control of a company (meaning 30.0% or more of the voting rights), whether by a series of transactions over a period of time, or not; or (b) when already holding between 30.0% and 50.0% of the voting rights of a company, acquires more than 2.0% of the voting rights in the offeree company in a twelve month period ending on and inclusive of the date of the relevant acquisition.

In either of the above cases, an offer must be made to the shareholders. The offer must be in cash or accompanied by a cash alternative at not less than the highest price paid by the offeror (or any person acting in concert with it) for shares of that class of the offeree company during the offer period and within six months prior to its commencement.

A. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation**

Our Company was incorporated as LHN Pte. Ltd. in Singapore under the Singapore Companies Act as an investment holding private limited company on 10 July 2014. Our Company was converted into a public company and renamed as LHN Limited on 16 March 2015.

Our Company has been registered in Hong Kong under Part 16 of the Companies Ordinance as a non-Hong Kong Company on 10 July 2017 and our Company's principal place of business in Hong Kong is at Rooms 802–804, 8/F, Kin Wing Commercial Building, 24–30 Kin Wing Street, Tuen Mun, New Territories, Hong Kong. Mr. Ng Chit Sing has been appointed as the authorised representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company was incorporated in Singapore, we operate subject to the relevant laws of Singapore and its Constitution which comprises a memorandum of association and the articles of association. A summary of the relevant aspects of the Singapore Companies Act and certain provisions of the Constitution is set out in Appendix V of this prospectus.

2. Changes in share capital of our Company

At the time of incorporation, our Company allotted and issued one paid-up Share of S\$1.00 to HN Group. Pursuant to a share swap agreement dated 10 March 2015 entered into between our Company and HN Group, our Company allotted and issued 999,999 paid-up Shares to HN Group at an issue price of S\$32.7 per Share as purchase consideration to acquire the entire issued and paid-up share capital of LHN Group.

Pursuant to the extraordinary general meeting of our Company held on 10 March 2015, our Shareholders approved the sub-division of each ordinary share in the then existing share capital of our Company into 275 Shares. Total issued and paid-up share capital of our Company after such share split became S\$32,726,560 divided into 275,000,000 Shares.

On 30 March 2015, the then outstanding amount of the redeemable convertible loans of an aggregate sum of S\$2,000,000 extended by 1 Rockstead GIP Fund II Pte Ltd and IFS Capital Limited to our Company pursuant to the terms and conditions of the redeemable convertible loan agreements dated 11 December 2014 entered into between our Company, LHN Group, 1 Rockstead GIP Fund II Pte Ltd and IFS Capital Limited was converted into 11,220,000 Shares (the “**Loan Conversion**”).

On 30 March 2015, our Shareholders also approved the allotment and issuance of 1,391,300 Shares to PPCF credited as fully paid in satisfaction of their management fee as sponsor and issue manager of our Company in the Catalyst Listing (the “**Allotment of PPCF**”).

Shares”). Following the Loan Conversion and the Allotment of PPCF Shares, total paid-up and issued share capital of our Company became S\$35,046,560 divided into 287,611,300 Shares.

Our Company was converted into a public company and renamed as “LHN Limited” on 16 March 2015, and was listed on the Catalist board of the SGX-ST on 13 April 2015. The Catalist Listing involved the issuance and placement of 73,913,000 Shares at a price of S\$0.23 per Share. Following the Catalist Listing, total issued and paid-up share capital of our Company became S\$51,243,056 divided into 361,524,300 Shares.

On 11 March 2016, pursuant to the LHN Performance Share Plan, 332,900 Shares were allotted and issued to the employees of our Group (which do not include any of our Directors, Controlling Shareholders or their associates). Following the allotment, the total issued and paid-up share capital of our Company became S\$51,286,998 divided into 361,857,200 Shares.

On 18 July 2016, our Company repurchased 698,000 Shares from the SGX-ST at an average price of S\$0.133, which are held as treasury shares. Following the repurchase, the total issued and paid-up share capital remained unchanged.

On 19 July 2016, our Company repurchased 855,000 Shares from the SGX-ST at an average price of S\$0.131585, which are held as treasury shares. Following the repurchase, the total issued and paid-up share capital remained unchanged.

On 20 July 2016, our Company repurchased 100,000 Shares from the SGX-ST at an average price of S\$0.1315, which are held as treasury shares. Following the repurchase, the total issued and paid-up share capital remained unchanged.

On 21 July 2016, our Company repurchased 200,000 Shares from the SGX-ST at an average price of S\$0.132, which are held as treasury shares. Following the repurchase, the total issued and paid-up share capital remained unchanged. After the four repurchases above, the total number of treasury Shares was 1,853,000 Shares.

On 18 January 2017, pursuant to the LHN Performance Share Plan, 441,200 treasury Shares were awarded to the employees of our Group (which do not include any of our Directors, Controlling Shareholders or their associates) under the LHN Performance Share Plan. Following the transfers, the total issued and paid-up share capital remained unchanged. After the transfers, the total number of treasury Shares was 1,411,800 Shares.

On 30 November 2017, 1,411,800 Shares held by our Company as treasury Shares were cancelled pursuant to Section 76K of the Singapore Companies Act. Following the cancellation of treasury Shares and as at the Latest Practicable Date, the total issued and paid-up share capital of our Company was S\$51,100,793 divided into 360,445,400 Shares, and our Company did not hold any treasury Shares.

Immediately following completion of the Global Offering, assuming no allotment and issue of Shares upon the exercise of options granted and to be granted under the LHN Performance Share Plan or that may be granted under the Share Option Scheme, 402,445,400 Shares will be issued fully paid or credited as fully paid. Other than pursuant to the general mandate to issue Shares referred to in the paragraph headed “Resolutions of our Shareholders passed in a general meeting held on 25 September 2017” in this Appendix, the Directors do

not have any present intention to issue any of the authorised but unissued share capital of our Company and, without prior approval of our Shareholders in general meetings, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed in this prospectus, there has been no alteration in the share capital of our Company since its incorporation.

3. Changes in share capital of our subsidiaries

On 27 April 2016, LHN Parking allotted and issued 2,300,000 fully paid ordinary shares to LHN Group for a cash consideration of S\$2.3 million.

Save as disclosed above, there are no changes in the share capital of our Company's subsidiaries during the two years preceding the date of this prospectus.

4. Resolutions of the Shareholders passed at the annual general meeting of our Company held on 23 January 2017

General Mandate to Issue Shares

At the annual general meeting of our Company held on 23 January 2017, resolutions of Shareholders were passed pursuant to which, amongst other things, pursuant to section 161 of Companies Act and Rule 806 of the Catalist Listing Manual, approval was given to the Directors:

- (i) issue Shares in the capital of the Company whether by way of rights, bonus or otherwise; and
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and (notwithstanding the authority conferred by such Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while such Resolution was in force (the "**Share Issue Mandate**"), provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to such Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury Shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments made or granted

pursuant to such Resolution) to be issued other than on a pro-rata basis to Shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury Shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury Shares) in the capital of the Company shall be based on the total number of issued Shares (excluding treasury Shares) in the capital of the Company at the time of the passing of such Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from the exercising of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of such Resolution, provided the options or awards were granted in compliance with the Catalist Listing Manual; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by such Resolution, the Company shall comply with the provisions of the Catalist Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution, for the time being, of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

General Mandate to Repurchase Shares

At the same annual general meeting of our Company held on 23 January 2017, resolutions of Shareholders were passed pursuant to which, amongst other things, approval was given for the renewal of the share buy-back mandate, under which the Directors of the Company are authorised to exercise all the powers of the Company to purchase or otherwise acquire Shares of the Company not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) on-market purchases (each a “**Market Purchase**”) on the SGX-ST; and/or

- (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Singapore Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the Constitution, the provisions of the Singapore Companies Act and the Catalist Listing Manual as may for the time being be applicable (the “Share Buy-Back Mandate”).

Unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of such resolution and expiring on the earlier of:

- (i) the conclusion of the next annual general meeting or the date by which such annual general meeting is required by law to be held;
- (ii) the date on which the buy-back of the Shares is carried out to the full extent mandated; or
- (iii) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by the Shareholders in a general meeting;

where for the purpose of such resolutions,

“Prescribed Limit” means 10% of the issued Shares of the Company as at the date of passing of such resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Singapore Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the issued Shares of the Company shall be taken to be the amount of the issued Share of the Company as altered (excluding any treasury Shares that may be held by the Company from time to time);

“Relevant Period” means the period commencing from the date of passing of such resolution and expiring on the date the next annual general meeting is held or is required by law to be held, the date on which the buy-back of the Shares are carried out to the full extent mandated, or the date the said mandate is revoked or varied by the Shareholders of the Company in a general meeting, whichever is the earlier; and

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“market day” means a day on which the SGX-ST is open for trading in securities.

5. Resolutions of our Shareholders passed in a general meeting held on 25 September 2017

At the extraordinary general meeting of our Company held on 25 September 2017, resolutions of Shareholders were passed pursuant to which, amongst other things, approval was given for:

- (i) the proposed Global Offering and Listing;
- (ii) the proposed adoption of the Constitution, effective upon the Listing; and
- (iii) the proposed adoption of the Share Option Scheme.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of the material contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by the members of our Group within the two years preceding the date of this prospectus:

- (a) the 2nd addendum to the share sale agreement dated 25 March 2011 and the addendum made between LHN Group and Master Care Services Pte. Ltd., dated 22 February 2017 entered into by and among LHN Group, Master Care Services Pte. Ltd., Ang Boon How, Tay Khoon Beng, Yeo Lin Ling and Lim Lam Choon (collectively, the “Parties”), pursuant to which certain terms of the share sale agreement relating to shares in LHN Management Services Pte Ltd, dated 25 March 2011 entered into by and among the Parties, and the addendum to the share sale







agreement dated 25 March 2011 made between LHN Group and Master Care Services Pte. Ltd., dated 25 March 2011 entered into by and among the Parties, have been modified;









- (b) the investment agreement regarding investment in WeOffices, dated 21 July 2017, entered into by and among M. Vad Holding ApS, Lodberg IVS, Bo Frausing Holding ApS, GH Suited Offices and WeOffices, relating to the subscription of a total of 13,461,538 shares in WeOffices by GH Suited Offices comprising of (i) 13,455,622 shares in WeOffices for a consideration of DKK1,497,030; and (ii) 5,916 shares in WeOffices for a consideration of (1) where the milestone as set out in the agreement has been realised, 5% of the aggregate net profit after tax in WeOffices realised during the financial years 2017/2018, 2018/2019 and 2019/2020; or (2) where the milestone as set out in the agreement has not been realised, DKK59.16;
- (c) the Deed of Indemnity;
- (d) the Deed of Non-Competition; and
- (e) the Hong Kong Underwriting Agreement.

2. Intellectual property rights of our Group







Trademarks







As at the Latest Practicable Date, we have registered 14 trademarks which, in the opinion of our Directors, are material to our business:

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Expiry date
1.		LHN Group	Singapore	36, 37, 39	40201505245U	27 March 2025
2.		LHN Group	Singapore	36, 37, 39	T1304033G	12 March 2023
3.		GH Suited Offices	Singapore	35, 43	T1318150Z	8 November 2023
4.		Work Plus Store Company	Singapore	39	40201508298S	15 May 2025
5.		Industrial & Commercial Security	Singapore	35, 37, 45	40201512057U	13 July 2025
6.		Industrial & Commercial Facilities Management	Singapore	37, 44	40201613385S	17 August 2026

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Expiry date
7.		GH Yangon	Myanmar	35, 36, 39, 43	4/15980/2016	N/A
8.		GH Yangon	Myanmar	35, 36, 39, 43	4/15979/2016	N/A
9.		GH Suited Offices	Indonesia	35, 43	IDM0000492963	17 May 2023
10.		LHN Group	Indonesia	36, 37, 39	IDM0000492964	17 May 2023
11.		LHN Malaysia	Malaysia	36, 37, 39	Class 36: 2015009109 Class 37: 2015009110 Class 39: 2015009111	4 September 2025
12.		LHN Group	Hong Kong	36, 37, 39	304107780	11 April 2027
13.		LHN Parking	Myanmar	9, 35, 39	4/11366/2017	29 August 2017
14.		LHN Parking	Myanmar	9, 35, 39	4/11365/2017	29 August 2017

As at the date of this prospectus, 12 applications have been made for the registration of trademarks which, in the opinion of our Directors are material to our business:

No.	Trademark	Applicant	Place of application	Class	Application number	Application date
1.		LHN Parking	Singapore	9, 35, 39	40201710533S	5 June 2017
2.		Singapore Handicrafts	Singapore	20, 35, 39	40201703362X	27 February 2017
3.		LHN Group	PRC	36, 37, 39	24037797	9 May 2017
4.		HLA Container Services (Thailand)	Thailand	35	170116728	18 May 2017
5.		HLA Container Services (Thailand)	Thailand	37	170114627	28 April 2017
6.		HLA Container Services (Thailand)	Thailand	39	1701114626	28 April 2017

No.	Trademark	Applicant	Place of application	Class	Application number	Application date
7.		HLA Container Services Pte Ltd	Singapore	35, 36, 37, 39	40201711728V	21 June 2017
8.		HN Logistics	Malaysia	39	2017012063	3 November 2017
9.		HN Logistics	Malaysia	35	2017012062	3 November 2017
10.		LHN Parking HK	PRC	9, 35, 39	25095687	30 June 2017
11.		LHN Parking HK	Hong Kong	9, 35, 39	304192218	30 June 2017
12.		GH Suited Offices	Singapore	35, 36, 39, 43	40201716226R	23 August 2017

Domain Names

As at the Latest Practicable Date, we have registered the following domain names:

No.	Registrant	Domain Name	Date of registration	Date of expiry
1.	LHN Group	lhngroup.com	5 March 2012	5 March 2019
2.	LHN Group	lhngroup.com.sg	5 August 2008	5 August 2018
3.	LHN Group	lhngroup.sg	5 August 2008	5 August 2018
4.	LHN Group	icspl.com.sg	10 December 2009	10 December 2017
5.	LHN Group	lhnparking.com.sg	23 March 2012	23 March 2019
6.	LHN Group	lhnparking.com	23 March 2012	23 March 2019
7.	LHN Group	lhnparking.sg	23 March 2012	23 March 2019
8.	LHN Group	greenhub.com.sg	23 June 2012	23 June 2018
9.	LHN Group	greenhub.sg	23 June 2012	23 June 2018
10.	LHN Group	lhn.com.sg	17 October 2012	17 October 2017
11.	LHN Group	workplusstore.com.sg	21 February 2013	21 February 2018

No.	Registrant	Domain Name	Date of registration	Date of expiry
12.	LHN Group	workplusstore.com	21 February 2013	21 February 2018
13.	LHN Group	workplusstore.sg	21 February 2013	21 February 2018
14.	LHN Group	hlacs.com.sg	7 March 2013	7 March 2019
15.	LHN Group	hlacs.sg	7 March 2013	7 March 2019
16.	LHN Group	singaporehandicrafts.com.sg	7 March 2013	7 March 2018
17.	LHN Group	pickjunction.com.sg	26 September 2013	26 September 2018
18.	LHN Group	pickjunction.com	26 September 2013	26 September 2018
19.	LHN Group	thesportsstage.com.sg	2 January 2014	2 January 2018
20.	LHN Group	thesportsstage.com	2 January 2014	2 January 2018
21.	LHN Group	thesportsstage.sg	2 January 2014	2 January 2018
22.	LHN Group	westway.com.sg	2 January 2014	2 January 2018
23.	LHN Group	westway.sg	2 January 2014	2 January 2018
24.	LHN Group	icssecurity.com.sg	19 March 2014	19 March 2018
25.	LHN Group	icssecurity.sg	19 March 2014	19 March 2018
26.	LHN Group	greenhub.com	10 September 1998	9 September 2019
27.	LHN Group	burghleylifestylehub.com.sg	6 August 2014	6 August 2018
28.	LHN Group	burghleylifestylehub.sg	6 August 2014	6 August 2018
29.	LHN Group	thegreenhub.com	14 June 2010	14 June 2019
30.	LHN Group	hlaholdings.com	9 February 2015	9 February 2019
31.	LHN Group	85soho.com	27 March 2015	27 March 2018
32.	LHN Group	workstore.com.sg	9 September 2015	9 September 2018

No.	Registrant	Domain Name	Date of registration	Date of expiry
33.	LHN Group	workstore.sg	9 September 2015	9 September 2018
34.	LHN Group	lhnfacilities.com	10 July 2016	7 October 2018
35.	LHN Group	lhnfacilities.com.sg	7 October 2016	7 October 2018
36.	LHN Group	lhnfm.com.sg	7 October 2016	7 October 2018
37.	LHN Group	lhnfm.com	7 October 2016	7 October 2018
38.	LHN Group	spaceportal.com.sg	13 February 2017	13 February 2018
39.	LHN Group	lhngroup.com.cn	9 March 2017	9 March 2018
40.	LHN Parking HK	lhngroup.com.hk	17 May 2017	17 May 2018
41.	LHN Parking HK	lhnparking.com.hk	17 May 2017	17 May 2018
42.	PT HN Group	greenhub.co.id	2 August 2013	2 August 2018
43.	GH Yangon	85soho.com.mm	5 May 2015	31 March 2018
44.	Four Star	fourstar.com.sg	14 July 1999	14 July 2018
45.	Four Star	fourstar.sg	18 October 2012	18 October 2018
46.	LHN Xiamen	85soho.com.cn	20 July 2017	20 July 2019
47.	LHN Group	85soho.com.sg	26 July 2017	26 July 2018
48.	LHN Group	icfm.com.sg	26 July 2017	26 July 2018
49.	LHN Group	85soho.com.my	1 August 2017	28 July 2018
50.	LHN Group	85soho.co.id	2 August 2017	2 August 2018
51.	LHN Group	85soho.com.kh	18 September 2017	20 August 2018
52.	LHN Group	lhnenergy.com.sg	26 October 2017	26 October 2018
53.	LHN Group	lhnenergy.com	26 October 2017	26 October 2018

3. Further information about our PRC establishments

LHN Asset Management (Xiamen) Co Limited

- (i) nature of the company: limited liability company (wholly foreign owned entity)
- (ii) incorporation date: 30 November 2016
- (iii) term of business operation: From 30 November 2016 to 29 November 2066
- (iv) registered capital: RMB50,000,000
- (v) total amount of investment: RMB50,000,000
- (vi) attributable interest of the Company: 100%
- (vii) scope of business: Investment management (Unless otherwise the laws and regulations required); Management of corporate headquarter; fast food service (hot food, pastry and homemade beverage); full catering services (hot food, cold food, pastry and homemade beverage); property management; car-parking management; other unstated real estate; market management; operation of the import and export of various goods and techniques (not included in the context of import and export goods) except for those limited for operation or prohibited by the State; wholesale of other machineries and electronic products; other warehouse storage business (excluded projects that need to be permitted and approved); loading and uploading services; machinery storage service; real estate agency services (not includes valuation services); convention and exhibition services; building and renovation services; building cleaning service; other unstated cleaning services (not includes administrative approval items); other unstated service business (not includes administrative approval items); other accommodation business

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Directors' service contracts and letters of appointment

Each of our executive Directors, namely Mr. Kelvin Lim and Ms. Jess Lim, has entered into a service contract with us on 16 March 2015 for an initial term of three years commencing from the date of the Catalist Listing, being 13 April 2015, and will continue thereafter until terminated by not less than six months' notice in writing served by either party on the other.

Each of Ms. Ching Li-Ling and Mr. Yong Chee Hiong, our independent non-executive Directors, has entered into a letter of appointment with us on 10 March 2015 (as amended by an addendum dated 25 September 2017) for an initial term of three years commencing on 10 March 2015 and will continue thereafter until terminated by not less than three months' notice in writing by served by either party on the other.

Mr. Chan Ka Leung Gary, our independent non-executive Director, has entered into a letter of appointment with us on 5 June 2017 (as amended by an addendum dated 25 September 2017) for an initial term of three years commencing on 5 June 2017 and will continue thereafter until terminated by not less than three months' notice in writing by served by either party on the other.

The current basic annual salaries of our Directors are as follows:

Mr. Kelvin Lim	S\$684,000
Ms. Jess Lim	S\$288,000
Ms. Ch'ng Li-Ling	S\$56,000
Mr. Yong Chee Hiong	S\$52,500
Mr. Chan Ka Leung Gary	S\$59,500

Save as aforesaid, none of our Directors has or is proposed to have a service contract with us or any of our subsidiaries (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

2. Directors' remuneration

For the three years ended 30 September 2014, 2015 and 2016, the nine months ended 30 June 2017 and the year ended 30 September 2017, the aggregate of the remuneration paid and benefits in kind granted to our Directors by us and our subsidiaries was S\$1,037,000, S\$1,351,000, S\$1,736,000, S\$924,000 and S\$1,179,091 respectively.

Save as disclosed in this prospectus, no other emoluments have been paid or are payable, in respect of the three years ended 30 September 2014, 2015 and 2016, the nine months ended 30 June 2017 and the year ended 30 September 2017, by us to our Directors.

Under the arrangements currently in force, we estimate that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors (excluding discretionary bonus) for the year ending 30 September 2018 will be approximately S\$1.2 million.

D. DISCLOSURE OF INTERESTS**1. Disclosure of interests****(a) *Interests and short positions of our Directors in our share capital and our associated corporations as of the Latest Practicable Date and following the Global Offering***

As of the Latest Practicable Date and immediately following completion of the Global Offering and taking no account of any Shares which may be allotted and issued pursuant to exercise of options granted or to be granted under the LHN Performance Share Plan or the Share Option Scheme, the interests or short positions of our Directors and the chief executive of our Company in our Shares, underlying Shares and debentures of our associated corporations, within the meaning of Part XV of the SFO which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

Interests and short positions in the shares, underlying shares and debentures and associated corporations:

Long positions in our Company

<u>Name of Director</u>	<u>Capacity/Nature of interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding in our Company</u>
Mr. Kelvin Lim ⁽¹⁾⁽²⁾	Founder of discretionary trusts, Beneficiary of a trust	275,000,000	68.3323%

Notes:

- (1) Mr. Kelvin Lim is one of the founders of The LHN Capital Trust and The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, in its capacity as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital. LHN Capital, in its capacity as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital, which in turn holds 85% of the total issued share capital of HN Group. HN Group holds the entire issued share capital of Fragrance Ltd. Fragrance Ltd is the beneficial owner of 275,000,000 Shares. Mr. Kelvin Lim is deemed under the SFO to be interested in the Shares held by Trident Trust

Company (B.V.I.) Limited and LHN Capital. Trident Trust Company (B.V.I.) Limited is deemed under the SFO interested in the interests held by LHN Capital. LHN Capital is deemed under the SFO interested in the interests held by HN Capital. HN Capital is deemed under the SFO interested in the interests held by HN Group. HN Group is deemed under the SFO interested in the interests held by Fragrance Ltd.

- (2) Mr. Kelvin Lim is one of the beneficiaries of The LHN Capital Trust of which LHN Capital is the trustee. LHN Capital, in its capacity as the trustee, holds the entire issued share capital of HN Capital, which in turn holds 85% of the total issued share capital of HN Group. HN Group holds the entire issued share capital of Fragrance Ltd. Fragrance Ltd is the beneficial owner of 275,000,000 Shares. Mr. Kelvin Lim is deemed under the SFO to be interested in the Shares held by LHN Capital. LHN Capital is deemed under the SFO interested in the interests held by HN Capital. HN Capital is deemed under the SFO interested in the interests held by HN Group. HN Group is deemed under the SFO interested in the interests held by Fragrance Ltd.

(b) *Interests and short positions discloseable under Divisions 2 and 3 of Part XV of the SFO and interests of the substantial shareholders of any member of our Group (other than our Company)*

Immediately following completion of the Global Offering and taking no account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme, or any Shares which may be issued or repurchased by the Company pursuant to the general mandate, so far as our Directors are aware, the following persons (not being a Director or chief executive of our Company) are expected to have interests or short positions in our Shares or underlying Shares which are required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or interested in 10% or more of the issued voting shares of any other members of our Group:

Interests and short positions in our Shares and underlying Shares of our Company

<u>Name of shareholder</u>	<u>Capacity/Nature of Interest</u>	<u>Number of Shares held/interested</u>	<u>Approximate percentage of shareholding immediately following completion of the Global Offering</u>
Fragrance Ltd ⁽¹⁾	Beneficial owner	275,000,000	68.3323%
Ms. Wang Jialu ⁽¹⁾⁽³⁾	Deemed interest by virtue of interest held by spouse	275,000,000	68.3323%
HN Group ⁽¹⁾⁽²⁾	Interested in a controlled corporation	275,000,000	68.3323%

<u>Name of shareholder</u>	<u>Capacity/Nature of Interest</u>	<u>Number of Shares held/interested</u>	<u>Approximate percentage of shareholding immediately following completion of the Global Offering</u>
HN Capital ⁽¹⁾⁽²⁾	Interest in a controlled corporation	275,000,000	68.3323%
LHN Capital ⁽¹⁾⁽²⁾	Trustee	275,000,000	68.3323%
Trident Trust Company (B.V.I.) Limited ⁽¹⁾⁽²⁾	Trustee	275,000,000	68.3323%
Mr. HN Lim ⁽¹⁾⁽²⁾	Founder of discretionary trusts	275,000,000	68.3323%
Mdm. Foo Siau Foon ⁽¹⁾⁽²⁾	Founder of discretionary trusts	275,000,000	68.3323%

Notes:

1. Fragrance Ltd, which is wholly-owned by HN Group, which in turn is owned as to 5% by Mr. Kelvin Lim, 10% by Ms. Jess Lim and 85% by HN Capital, is the beneficial owner of 275,000,000 Shares. By virtue of the SFO, Mr. Kelvin Lim, Ms. Wang Jialu, HN Group, HN Capital, LHN Capital, Trident Trust Company (B.V.I.) Limited, Mr. HN Lim and Mdm. Foo Siau Foon are deemed to be interested in all of the Shares held by Fragrance Ltd.
2. Mr. HN Lim, Mdm. Foo Siau Foon and Mr. Kelvin Lim are the founders of The LHN Capital Trust and The Land Banking Trust. Trident Trust Company (B.V.I.) Limited, in its capacity as the trustee of The Land Banking Trust, holds the entire issued share capital of LHN Capital. LHN Capital, in its capacity as the trustee of The LHN Capital Trust, holds the entire issued share capital of HN Capital, which in turn holds 85% of the total issued share capital of HN Group. HN Group holds the entire issued share capital of Fragrance Ltd. Mr. HN Lim, Mdm. Foo Siau Foon and Mr. Kelvin Lim are deemed under the SFO to be interested in the Shares held by Trident Trust Company (B.V.I.) Limited and LHN Capital. Trident Trust Company (B.V.I.) Limited is deemed under the SFO interested in the interests held by LHN Capital. LHN Capital is deemed under the SFO interested in the interests held by HN Capital. HN Capital is deemed under the SFO interested in the interests held by HN Group. HN Group is deemed under the SFO interested in the interests held by Fragrance Ltd.
3. Ms. Wang Jialu, the spouse of Mr. Kelvin Lim, is deemed under the SFO to be interested in the interests held by Mr. Kelvin Lim.

Interests in shares of any other member of our Group (other than our Company)

<u>Name of other member of our Group</u>	<u>Person with 10% or more interest therein (other than our Group)</u>	<u>Approximate percentage of shareholding interest</u>
LHN Management Services	Master Care Services Pte. Ltd.	49%
HLA Holdings	Mr. Hew Chee Fatt	40%
HLA Container Services	Mr. Hew Chee Fatt	40%

See “History — Our Company, Subsidiaries, Joint Ventures and Associated Companies — Our Subsidiaries, Joint Ventures and Associated Company — Our Subsidiaries” for details.

2. Disclaimers

Save as disclosed in this prospectus:

- (a) our Directors are not aware of any person (not being our Director or chief executive) who will, immediately after completion of the Global Offering (without taking into account of any Shares which may be (i) allotted and issued under the LHN Performance Share Plan; (ii) allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme or (iii) issued or repurchased by the Company pursuant to the general mandate), have an interest or a short position in Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the issued voting shares of any other members of our Group;
- (b) none of our Directors has any interest or short position in any of our Shares, underlying Shares or debentures or any shares, underlying shares or debentures of any associated corporation within the meaning of Part XV of the SFO, which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, in each case once our Shares are listed;
- (c) none of our Directors nor any of the parties listed in the section headed “G. Other Information — 10. Consents of experts” in this Appendix is interested in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries;
- (d) none of our Directors nor any of the parties listed in the section headed “G. Other Information — 10. Consents of experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;

- (e) save in connection with the Underwriting Agreements, none of the parties listed in the section headed “G. Other Information — 10. Consents of experts” in this Appendix:
 - (i) is interested legally or beneficially in any securities of our Company or any of our subsidiaries; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of our Company or any of our subsidiaries;
- (f) none of our Directors or their close associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group.

E. THE LHN PERFORMANCE SHARE PLAN AND SHARE OPTION SCHEME

The Group has adopted the LHN Performance Share Plan on 10 March 2015 to enable its employees to build up a stack in the Group. As certain terms of the LHN Performance Share Plan are inconsistent with the Listing Rules, no further awards or Shares will be granted under the LHN Performance Share Plan after the Listing. However, the Shares granted under the LHN Performance Share Plan before the Listing will not be affected. As at the Latest Practicable Date, there are no outstanding awards under the LHN Performance Share Plan. Our Company proposes to terminate the LHN Performance Share Plan after the Listing.

To enable the employees of the Group to continue to build up a stack in the Group, our Shareholders have conditionally approved the Share Option Scheme by a resolution passed on 25 September 2017, and our Board has adopted the Share Option Scheme by a resolution of the Board on 25 September 2017. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

The LHN Performance Share Plan

The following is a summary of the principal terms of the LHN Performance Share Plan as approved by a resolution of our Shareholders on 10 March 2015 and adopted by a resolution of our Board on the same day:

1. Purpose

The main objectives of the LHN Performance Share Plan are as follows:

- (a) to attract potential employees with relevant skills to contribute to our Group and to create value for Shareholders;

- (b) to instil loyalty to, and a stronger identification by the participants with the long-term prosperity of our Group;
- (c) to motivate the participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (d) to align the interests of the participants with the interests of the Shareholders;
- (e) to give recognition to the contributions made by the participants to the success of our Group; and
- (f) to retain key employees of our Group whose contributions are essential to the long-term prosperity of our Group.

The rationale for adopting the LHN Performance Share Plan is to give our Company greater flexibility to align the interests of employees, especially our key personnel, with that of our Shareholders. It is also intended to reward, retain and motivate employees to achieve superior performance which creates and enhances economic value for our Shareholders. A performance target based award may be granted.

As the Shares will be issued free under the LHN Performance Share Plan, the participants would receive the same benefit from an award in respect of fewer Shares as they would receive if share options were granted instead in respect of a larger number of Shares. The LHN Performance Share Plan would therefore allow our Company to provide an incentive to employees while reducing the dilutive effect to Shareholders.

The awards given to a particular participant will be determined at the discretion of a committee (the “**Committee**”), who will take into account factors such as the participant’s capability, scope of responsibility, skill and vulnerability to leaving the employment of our Group. In deciding on an Award to be granted to a participant, the Committee will also consider all aspects of the compensation and/or benefits given to the Participant and such other share-based incentive schemes of our Company, if any. The Committee may also set specific criteria and performance targets for each of the Participant, taking into account factors such as (i) our Company’s and our Group’s business goals and directions for each financial year; (ii) the Participant’s actual job scope and responsibilities; and (iii) the prevailing economic conditions.

2. Who may join

The following persons shall be eligible to participate in the LHN Performance Share Plan:

- (a) employees of our Group (including the executive Directors) who have attained the age of 21 years on or before the date of grant of the award under the LHN Performance Share Plan; and

- (b) non-executive Directors (including independent non-executive Directors) who have attained the age of 21 years on or before the date of grant of the award under the LHN Performance Share Plan.

Controlling Shareholders and associates of a Controlling Shareholder who meet the above eligibility criteria are also eligible to participate in the LHN Performance Share Plan provided that (a) the participation of, and (b) the terms of each grant and the actual number of awards granted under the LHN Performance Share Plan to, a participant who is a Controlling Shareholder or an associate of a Controlling Shareholder shall be approved by our independent Shareholders in a general meeting in separate resolutions for each such person, and the basis for seeking such Shareholders' approval will be included in the circular to Shareholders.

There shall be no restriction on the eligibility of any participant to participate in any other share incentive schemes or share plans implemented or to be implemented by our Company or any other company within our Group.

3. *Award*

Awards represent the right of a participant to receive fully paid Shares free of charge, upon the participant achieving prescribed performance targets.

The selection of the participants and the number of Shares which are the subject of each award to be granted to a participant in accordance with the LHN Performance Share Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of our Group.

In the case of a performance-related award, the performance targets will be set by the Committee depending on each individual participant's job scope and responsibilities. The performance targets to be set shall take into account both the medium and long-term corporate objectives of our Group and the individual performance of the participant and will be aimed at sustaining long-term growth. The corporate objectives shall cover market competitiveness, business growth and productivity growth. The performance targets could be based on criteria such as sales growth, growth in earnings and return on investment. In addition, the participant's length of service with our Group, achievement of past performance targets, value-add to our Group's performance and development and overall enhancement to Shareholder value, *inter alia*, will be taken into account.

Awards may be granted at any time in the course of a financial year, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, awards may only be vested and hence any Shares comprised in such awards may only be delivered on or after the second market day from the date on which the aforesaid announcement is made.

An award letter confirming the award will be sent to each participant as soon as reasonably practicable after the award is finalised, specifying, *inter alia*, in relation to the award:

- (i) in relation to a performance-related award, the performance targets and the performance period during which the prescribed performance targets are to be met;
- (ii) the number of Shares to be vested on the participant; and
- (iii) the date by which the award shall be vested.

The Committee will take into account various factors when determining the method to arrive at the exact number of Shares comprised in an award. Such factors include, but are not limited to, the current price of the Shares, the total issued share capital of our Company and the pre-determined dollar amount which the Committee decides that a participant deserves for meeting his performance targets. For example, Shares may be awarded based on pre-determined dollar amounts such that the quantum of Shares comprised in awards is dependent on the closing price of Shares transacted on the market day the award is vested. Alternatively, the Committee may decide the absolute numbers of Shares to be awarded to participants irrespective of the price of the Shares. The Committee shall monitor the grant of awards carefully to ensure that the size of the LHN Performance Share Plan will comply with the relevant rules of the Catalist Listing Manual and the Listing Rules.

4. *Size and duration*

The total number of Shares which may be delivered pursuant to the vesting of awards on any date, when added to the aggregate number of Shares issued and/or issuable in respect of (a) all awards granted under the LHN Performance Share Plan; and (b) all other Shares issued and/or issuable under any other share-based incentive schemes or share plans of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares) of the Company from time to time.

The Directors believe that the size of the LHN Performance Share Plan will give our Company sufficient flexibility to decide the number of Shares to be offered under the LHN Performance Share Plan. However, it does not indicate that the Committee will definitely issue Shares up to the prescribed limit. The Committee will exercise its discretion in deciding the number of Shares to be granted to each participant under the LHN Performance Share Plan. This, in turn, will depend on and be commensurate with the performance and value of the participant to our Group.

The aggregate number of Shares that are available to the Controlling Shareholders or associates of our Controlling Shareholders under the LHN Performance Share Plan shall not exceed 25.0% of the total number of Shares available under the LHN

Performance Share Plan. The number of Shares that are available to each Controlling Shareholder or associate of our Controlling Shareholder under the LHN Performance Share Plan shall not exceed 10.0% of the Shares available under the LHN Performance Share Plan. The LHN Performance Share Plan shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the LHN Performance Share Plan is adopted by our Company in a general meeting, provided always that the LHN Performance Share Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the LHN Performance Share Plan, any awards made to participants prior to such expiry or termination will continue to remain valid.

5. Operation of the plan

The Committee shall have the discretion to determine whether performance targets have been met (whether fully or partially) or exceeded and/or whether the participant's performance and/or contribution to our Company and/or any of our subsidiaries justifies the vesting of an award. In making any such determination, the Committee shall have the right to make reference to the audited results of our Company or our Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance targets if the Committee decides that a changed performance targets would be a fairer measure of performance.

Awards may only be vested and consequently any Shares comprised in such awards shall only be delivered upon the Committee being satisfied that the participant has achieved the performance targets.

Subject to the prevailing legislation and the provisions of the Catalist Listing Manual and the Listing Rules, our Company will be delivering Shares to participants upon vesting of their awards by way of an issue of new Shares or the transfer of existing Shares held as treasury Shares to the participants. In determining whether to issue new Shares or to purchase existing Shares for delivery to participants upon the vesting of their awards, our Company will take into account factors such as the number of Shares to be delivered, the prevailing market price of the Shares and the financial effect on our Company of either issuing new Shares or purchasing existing Shares.

New Shares allotted and issued on the release of an award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date of issue of the new Shares or the date of transfer of treasury Shares pursuant to the vesting of the award, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

6. *Operation of the plan*

Variation of Capital

If a variation in the issued and paid-up ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, sub-division, consolidation, distribution or otherwise) shall take place, then:

- (i) the class and/or number of Shares which are the subject of an award to the extent not yet vested; and/or
- (ii) the class and/or number of Shares over which future awards may be granted under the LHN Performance Share Plan,

shall be adjusted by the Committee to give each participant the same proportion of the equity capital of our Company as that to which he was previously entitled and, in doing so, the Committee shall determine at its own discretion the manner in which such adjustment shall be made.

Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:

- (i) the issue of securities as consideration for an acquisition or a private placement of securities;
- (ii) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on SGX-ST or the Hong Kong Stock Exchange during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (iii) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the LHN Performance Share Plan; and
- (iv) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by our Company.

Notwithstanding the provisions of the rules of the LHN Performance Share Plan:

- (i) the adjustment must be made in such a way that a participant will not receive a benefit that a Shareholder does not receive; and

- (ii) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Modifications

Any or all the provisions of the LHN Performance Share Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, provided that:

- (i) any modification or alteration which would be to the advantage of participants under the LHN Performance Share Plan shall be subject to the prior approval of Shareholders in a general meeting; and
- (ii) no modification or alteration shall be made without due compliance with the Catalist Listing Manual, the Listing Rules and such other laws or regulations as may be applicable.

7. Reporting requirements

Under the Catalist Listing Manual, an immediate announcement must be made on the date of grant of an award and provide details of the grant, including the following:

- (a) date of grant;
- (b) market price of the Shares on the date of grant of the award;
- (c) number of Shares granted under the award;
- (d) number of Shares granted to each Director and Controlling Shareholder (and each of their associates) under the award, if any; and
- (e) the vesting period in relation to the award.

Under the Listing Rules, as soon as possible upon the granting of an award, our Company must publish an announcement in accordance with Rule 2.07C setting out the following details:

- (a) date of grant;
- (b) exercise price of awards granted;
- (c) number of Shares comprised in awards granted;
- (d) market price of its securities on the date of grant;

- (e) where any of the grantees is a Director, chief executive or substantial shareholder of our Company, or an associate of any of them, the names of such grantees and the number of Shares comprised in awards granted to each of them; and
- (f) validity period of the awards.

The following disclosures (as applicable) will be made by our Company in our annual report for so long as the LHN Performance Share Plan continues in operation:

- (a) the names of the members of the Committee administering the LHN Performance Share Plan;
- (b) in respect of the following participants:
 - (i) Directors of our Company;
 - (ii) participants who are Controlling Shareholders and their associates; and
 - (iii) participants (other than those in paragraph (b)(i) above) who have received Shares pursuant to the vesting of awards granted under the LHN Performance Share Plan which, in aggregate, represent 5.0% or more of the total number of Shares available under the LHN Performance Share Plan, the following information:
 - (aa) the name of the participant;
 - (bb) the aggregate number of Shares comprised in awards which have been granted to such participant during the financial year under review;
 - (cc) the aggregate number of Shares comprised in awards which have been granted to such participant since the commencement of the LHN Performance Share Plan to the end of the financial year under review;
 - (dd) the aggregate number of Shares comprised in awards which have been issued and/or transferred to such participant pursuant to the vesting of awards under the LHN Performance Share Plan since the commencement of the LHN Performance Share Plan to the end of the financial year under review; and
 - (ee) the aggregate number of Shares comprised in awards which have not been vested as at the end of the financial year under review; and

- (c) such other information as may be required by the Catalist Listing Manual, the Singapore Companies Act, the Listing Rules or the Companies Ordinance.

8. *Role and composition of the Committee*

The Committee shall be responsible for the administration of the LHN Performance Share Plan and shall consist of our Directors. As at the date of this Offer Document, the Committee comprises Ms. Ch'ng Li-Ling, Mr. Eddie Yong and Mr. Chan Ka Leung Gary.

The Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the LHN Performance Share Plan) for the implementation and administration of the LHN Performance Share Plan as they think fit including, but not limited to:

- (a) imposing restrictions on the number of awards that may be vested within each financial year; and
- (b) amending performance targets if by so doing, it would be a fairer measure of performance for a participant or for the LHN Performance Share Plan as a whole.

In compliance with the requirements of the Catalist Listing Manual, any participant of the LHN Performance Share Plan who is a member of the Committee shall not be involved in its deliberations in respect of awards to be granted to or held by him or his associate.

9. *Abstention from voting*

Participants who are also Shareholders and are eligible to participate in the LHN Performance Share Plan must abstain from voting on any resolution relating to the participation of, or grant of awards to the participants.

10. *Number of Shares granted under the LHN Performance Share Plan*

As at the Latest Practicable Date, 774,100 Shares had been awarded to the selected employee of the Group under the LHN Performance Share Plan (the “**Awardees**”).

The Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme as approved by a resolution of our Shareholders and adopted by a resolution of our Board on 25 September 2017:

1. *Purpose*

The purpose of the Share Option Scheme is to give the Eligible Persons (as defined in the following paragraph) an opportunity to have a personal stake in our Company and help motivate them to optimise their future contributions to our Group and/or to reward them for their past contributions, to attract and retain such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group.

2. *Who may join*

In accordance with the terms of the Share Option Scheme, the Remuneration Committee may, in its absolute discretion, offer the grant of options (“**Options**”) to subscribe for such number of Shares to:

- (a) any full-time employee of any member of our Group; and
- (b) any director of any member of our Group who does not perform an executive function.

(collectively, the “**Eligible Persons**”)

3. *Maximum number of Shares*

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Group shall not in aggregate exceed 10% of the Shares in issue as at the Listing Date (such 10% limit representing 40,244,540 Shares) (the “**Scheme Mandate Limit**”) provided that:

- (a) our Company may at any time as our Board may think fit seek approval from our Shareholders to refresh the Scheme Mandate Limit, save that the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Company shall not exceed 10% of our Shares in issue as at the date of approval by our Shareholders in general meeting where the Scheme Mandate Limit is refreshed. Options previously granted under the Share Option Scheme and any other schemes of our Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other schemes of our Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. Our

Company shall send to our Shareholders a circular containing the details and information required under the Listing Rules and/or the Catalist Listing Manual;

- (b) our Company may seek separate approval from our Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Person specified by our Company before such approval is obtained. Our Company should issue a circular to our Shareholders containing the details and information required under the Listing Rules and/or the Catalist Listing Manual; and
- (c) the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of our Group shall not exceed 30% of our Shares in issue from time to time. No options may be granted under the Share Option Scheme and any other share option scheme of our Company if this will result in such limit being exceeded.

4. *Maximum entitlement of each participant*

The maximum number of Shares issued and to be issued upon exercise of the Options granted to any one Eligible Person (including exercised and outstanding Options) in any 12-month period shall not exceed 1% of our Shares in issue from time to time. Where any further grant of Options to such an Eligible Person would result in our Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of our Shares in issue, such further grant shall be separately approved by our Shareholders in general meeting with such Eligible Person and his close associates (or his associates if such Eligible Person is a connected person) abstaining from voting. Our Company shall send a circular to our Shareholders disclosing the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted) to such Eligible Person, and containing the details and information required under the Listing Rules and/or the Catalist Listing Manual. The number and terms (including the subscription price) of the Options to be granted to such Eligible Person must be fixed before the approval of our Shareholders and the date of the meeting or resolution of the Remuneration Committee proposing such grant shall be taken as the offer date for the purpose of calculating the subscription price of those Options.

5. Offer and grant of Options

Subject to the terms of the Share Option Scheme, the Remuneration Committee shall be entitled at any time within ten years from the date of conditional adoption of the Share Option Scheme to offer the grant of an Option to any Eligible Person as the Remuneration Committee may in its absolute discretion select to subscribe at the subscription price for such number of Shares as the Remuneration Committee may (subject to the terms of the Share Option Scheme) determine (provided the same shall be an integral multiple of the respective board lot sizes for dealing in the Shares on the Hong Kong Stock Exchange and the SGX-ST).

6. Granting Options to connected persons

Subject to the terms of the Share Option Scheme, but only insofar as and for so long as the Listing Rules require, where any offer of an Option is proposed to be made to a Director, chief executive or a substantial shareholder of our Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of our Company (excluding the independent non-executive Director who or whose associates is the grantee of an Option).

Where any grant of Options to a substantial shareholder or an independent non-executive Director of our Company, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all Options already granted and to be granted (including exercised, cancelled and outstanding Options) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (b) (where the securities are listed on the Hong Kong Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5.0 million,

such further grant of Options must be approved by our Shareholders. Our Company shall send a circular to our Shareholders containing the information required under the Listing Rules and/or the Catalist Listing Manual. The grantee, his associates and all core connected persons of our Company must abstain from voting in favour at such general meeting.

Approval from our Shareholders is required for any change in the terms of Options granted to a participant who is a substantial shareholder or an independent non-executive Director of our Company, or any of their respective associates. The grantee, his associates and all core connected persons of our Company must abstain from voting in favour at such general meeting.

7. Granting Options to Controlling Shareholders

Subject to the terms of the Share Option Scheme, Eligible Persons who are controlling shareholders (as defined in the Catalist Listing Manual) and their associates (as defined in the Catalist Listing Manual) shall be eligible to participate in the Share Option Scheme provided that:

- (a) their participation; and
- (b) the actual number and terms of any Options to be granted to them,

have been approved in separate resolutions by independent Shareholders in a general meeting in respect of each such person, provided always that it shall not be necessary to obtain the approval of independent Shareholders for the participation in the Share Option Scheme of a controlling shareholder (as defined in the Catalist Listing Manual) or his associate (as defined in the Catalist Listing Manual) who is, at the relevant time, already a participant.

8. Restriction on the time of grant of Options

The Remuneration Committee shall not offer the grant of any Option to any Eligible Person under the Share Option Scheme:

- (a) after inside information has come to its knowledge until such inside information has been announced pursuant to the requirements of the Listing Rules and the Catalist Listing Manual; or
- (b) during the period commencing one month immediately preceding the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules);
 - (ii) the deadline for our Company to publish an announcement of our results for any full year or half-year period under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (iii) the deadline for our Company to publish an announcement of our results for any full year or interim period under the Catalist Listing Manual, or any other interim period (whether or not required under the Catalist Listing Manual);

and ending on the date of the results announcement published on either the website of the Hong Kong Stock Exchange or the SGX-ST in respect of the relevant financial period.

9. *Minimum holding period, vesting and performance target*

Subject to the provisions of the Listing Rules and the Catalist Listing Manual, the Remuneration Committee may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Remuneration Committee may think fit (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by our Company and/or the Eligible Person, the satisfactory performance or maintenance by the Eligible Person of certain conditions or obligations or the time or period when the right to exercise the Option in respect of all or some of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Remuneration Committee may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise), there is no performance target which need to be achieved by the Eligible Person before the Option can be exercised.

10. *Amount payable for Options and offer period*

An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the offer date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Share Option Scheme. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favour of our Company of HK\$1.00 or S\$1.00 (as the case may be) by way of consideration for the grant thereof is received by our Company on or before the date upon which an offer of an Option must be accepted by the relevant Eligible Person, being a date no later than 28 days after the offer date (the “**Acceptance Date**”). Such remittance shall in no circumstances be refundable.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the Hong Kong Stock Exchange and the SGX-ST respectively or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Option. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

In the event that the grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null, void and of no effect and the relevant grantee shall have no claim whatsoever against our Company.

11. *Subscription price*

The subscription price in respect of any particular Option shall be such price as the Remuneration Committee may in its absolute discretion determine at the time of offer of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the subscription price shall not be less than whichever is the highest of:

- (a) the closing price of a Share as stated in the Hong Kong Stock Exchange's daily quotations sheet or as published by the SGX-ST on the offer date (whichever is higher); and
- (b) the average closing price of a Share as stated in the Hong Kong Stock Exchange's daily quotations sheets or as published by the SGX-ST for the five business days (meaning a day on which the Hong Kong Stock Exchange and/or the SGX-ST are open for the business of dealing in securities, as the context may require) immediately preceding the offer date (whichever is higher).

12. *Exercise of Option*

- (a) An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot for dealing in the Shares on the Hong Kong Stock Exchange or the SGX-ST, as the case may be, or any integral multiple thereof) within the Option period in the manner as set out in the terms of the Share Option Scheme by the grantee (or his or her legal personal representative(s)) by giving notice in writing to our Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of a certificate from our auditors pursuant to the terms of the Share Option Scheme, our Company shall accordingly allot and issue the relevant number of Shares to the grantee (or his or her legal personal representative(s)) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the grantee (or his or her legal personal representative(s)) share certificate(s) in respect of the Shares so allotted.
- (b) The exercise of any Option may be subject to a vesting schedule to be determined by the Remuneration Committee in its absolute discretion, which shall be specified in the offer letter.

- (c) Subject as hereinafter provided and subject to the terms and conditions upon which the Option is granted, an Option may be exercised by the grantee at any time during the Option period, provided that, among others:
- (i) in the event that the grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full) and none of the events for termination of employment or engagement stated in the relevant terms of the Share Option Scheme exists with respect to such grantee, he or she (or his or her legal representative(s)) may exercise the Option up to the grantee's entitlement immediately prior to the death or permanent disability (to the extent not already exercised) within a period of 12 months following his or her death or permanent disability or such longer period as the Remuneration Committee may determine;
 - (ii) in the event that the grantee ceases to be a full-time employee of any member of our Group for any reason (including his or her employing company ceasing to be a member of our Group) other than his or her death, permanent disability, retirement pursuant to such retirement scheme applicable to our Group at the relevant time or the transfer of his or her employment to a member of our Group or the termination of his or her employment with the relevant member of our Group by resignation or culpable termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Remuneration Committee otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Remuneration Committee may in its absolute discretion determine following the date of such cessation;
 - (iii) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of our Shareholders (in the case of a scheme of arrangement), the grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by our Company;
 - (iv) if a compromise or arrangement between our Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company, our Company shall give notice thereof to the grantees who have Options unexercised at the same time as it dispatches notices to all members or creditors of our Company summoning the

meeting to consider such a compromise or arrangement and thereupon each grantee (or his or her legal representatives or receiver) may until the expiry of the earlier of:

- (1) the Option period;
- (2) the period of two months from the date of such notice; or
- (3) the date on which such compromise or arrangement is sanctioned by the court,

exercise in whole or in part his or her Option.

- (v) in the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all grantees and thereupon, each grantee (or his or her legal personal representative(s)) shall be entitled to exercise all or any of his or her Options at any time not later than five business days (meaning a day on which the Hong Kong Stock Exchange and/or the SGX-ST are open for the business of dealing in securities, as the context may require) prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the business day (meaning a day on which the Hong Kong Stock Exchange and/or the SGX-ST are open for the business of dealing in securities, as the context may require) immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

13. Life of the Share Option Scheme

Subject to the terms of the Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of ten years from the date of conditional adoption of the Share Option Scheme, provided always that the Share Option Scheme may continue for a further period of ten years with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. Upon expiry of the Share Option Scheme as aforesaid, no further options will be offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

14. *Lapse of the Share Option Scheme*

An Option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:

- (a) the expiry of the Option period;
- (b) the expiry of any of the periods referred to in the relevant paragraphs of the terms of the Share Option Scheme regarding exercise of Options, including without limitation, the periods mentioned in the paragraph headed “E. The LHN Performance Share Plan and Share Option Scheme — The Share Option Scheme — 12. Exercise of Option”;
- (c) subject to, among others, the terms mentioned in the paragraph headed “E. The LHN Performance Share Plan and Share Option Scheme — The Share Option Scheme — 12. Exercise of Option” in this appendix, the date of the commencement of the winding-up of our Company;
- (d) there is an unsatisfied judgment, order or award outstanding against the grantee or the Remuneration Committee has reason to believe that the grantee is unable to pay or to have no reasonable prospect of being able to pay his/her/its debts; and
- (e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in (d) above or in other relevant paragraphs of the terms of the Share Option Scheme.

No compensation shall be payable upon the lapse of any Option, provided that the Remuneration Committee shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

15. *Adjustment*

In the event of any alteration to the capital structure of our Company while any Option remains outstanding, whether by way of capitalisation of profits or reserves, open offer, rights issue, consolidation, distribution, reclassification, reconstruction, subdivision or reduction of the share capital of our Company, the Remuneration Committee may, if it considers the same to be appropriate, direct that adjustments be made to:

- (a) the maximum number of Shares subject to the Share Option Scheme;
- (b) the class and/or aggregate number of Shares subject to the Option so far as unexercised;
- (c) the subscription price of each outstanding Option; and/or

- (d) the class and/or number of shares in respect of which additional Options may be granted,

provided that:

- (a) any such adjustments shall give the Eligible Persons the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a capitalisation issue, our auditors shall confirm to the Remuneration Committee in writing that the adjustments satisfy this requirement;
- (b) any such adjustments shall be made on the basis that the aggregate subscription price payable by the grantee on the full exercise of any Option shall remain as nearly as practicable the same as (but shall not be greater than) it was before such event;
- (c) no such adjustments shall be made if as a result, a participant receives a benefit that a Shareholder does not receive; and
- (d) any such adjustments shall be made to in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules, any applicable provisions of the Catalist Listing Manual and supplementary guidance on the interpretation of the Listing Rules and the Catalist Listing Manual issued by the Hong Kong Stock Exchange and the SGX-ST from time to time.

Any adjustment (other than an adjustment arising from a capitalisation issue) must be certified in writing by our auditors to the Remuneration Committee to be in their opinion fair and reasonable.

The following (whether singly or in combination) shall not be regarded as events requiring adjustments unless the Remuneration Committee considers an adjustment to be appropriate pursuant to the terms of the Share Option Scheme:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the issue of Shares upon the exercise of any options or conversion of any convertible securities issued by the Company; or
- (c) the cancellation of issued Shares purchased by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST or the Hong Kong Stock Exchange during the period when a share purchase mandate granted by our Shareholders (including any renewal of such mandate) is in force.

16. *Cancellation of Options not exercised*

The Remuneration Committee shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the “**Cancellation Date**”):

- (a) the grantee commits or permits or attempts to commit or permit a breach of the restriction on transferability of Options as stated in the terms of the Share Option Scheme or any terms or conditions attached to the grant of the Option;
- (b) the grantee makes a written request to the Remuneration Committee for the Option to be cancelled; or
- (c) if the grantee has, in the opinion of the Remuneration Committee, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of our Company or any of its subsidiaries.

The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Remuneration Committee shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

17. *Ranking of Shares*

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of our Company) and the laws of Singapore from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue commencing from (i) the date on which Shares are allotted to the grantee (or his or her legal personal representatives) pursuant to the Option granted and exercised (the “**Allotment Date**”), or (ii) if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members. Accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the Allotment Date, or (ii) if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date.

Share issued upon the exercise of an Option shall not carry rights until the registration of the grantee (or any other person) as the holder thereof.

18. Termination

The Share Option Scheme may be terminated at any time by the Remuneration Committee or, at the discretion of the Remuneration Committee, by resolution of our Company in general meeting, subject to all relevant approvals which may be required. Upon termination of the Share Option Scheme as aforesaid, no further Options shall be offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

19. Transferability

The Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our Company to cancel any outstanding Option or part thereof granted to such grantee.

20. Required Disclosure

Our Company shall, for so long as the Share Option Scheme continues in operation, make disclosures as required under the Listing Rules, the Catalist Listing Manual and all other applicable laws and requirements.

21. Alteration of the Share Option Scheme

The Share Option Scheme may be altered in any respect by a resolution of the Remuneration Committee except that the following shall not be carried out except with the prior sanction of an ordinary resolution of our Shareholders in general meeting:

- (a) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the Share Option Scheme);
- (b) any alteration to the provisions of the Share Option Scheme in relation to the matters set out in (i) Rule 17.03 of the Listing Rules, or (ii) Rules 843 to 848 and Rules 852 to 853 of the Catalist Listing Manual, to the advantage of participants;
- (c) any change to the authority of the Remuneration Committee to administer the day-to-day running of the Share Option Scheme; and
- (d) any alteration to the aforesaid alteration provisions.

provided always that the amended terms of the Share Option Scheme shall comply with the applicable requirements of the Listing Rules and the Catalist Listing Manual.

22. Conditions Precedent of the Share Option Scheme

The Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (a) the approval of our Shareholders for the adoption of the Share Option Scheme;
- (b) the approval of the Hong Kong Stock Exchange and the SGX-ST for the listing of and permission to deal in, a maximum of 40,244,540 Shares to be allotted and issued pursuant to the exercise of Options in accordance with the terms and conditions of the Share Option Scheme;
- (c) the commencement of dealing in our Shares on the Hong Kong Stock Exchange; and
- (d) the obligations of the underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms thereof or otherwise.

If the permission referred to in paragraph (b) above is not granted within two calendar months after the date of conditional adoption of the Share Option Scheme:

- (i) the Share Option Scheme will forthwith terminate;
- (ii) any Option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect;
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any Option; and
- (iv) the Board may further discuss and devise another employee share option scheme for adoption by our Company.

Application has been made to the Hong Kong Stock Exchange for the listing of 40,244,540 Shares which may be issued pursuant to the exercise of Options under the Share Option Scheme.

F. OTHER INFORMATION

1. Deed of Indemnity

Each of Mr. Kelvin Lim, Ms. Jess Lim, Ms. Lim Bee Li, Fragrance Ltd, HN Group and HN Capital (the “**Indemnifiers**”) have entered into the Deed of Indemnity with and in favour of our Company for itself and as trustee for its subsidiaries, to provide indemnities in respect

of, among other things, certain estate duty, death duty, inheritance tax, succession duty or any other similar tax or duty which might be payable by any companies in our Group by virtue of or under the provisions of the Estate Duty Ordinance (Chapter 111 of Laws of Hong Kong) (the “**Estate Duty Ordinance**”) or any other similar legislation in any relevant jurisdiction outside Hong Kong as a result or in consequence of any event or transaction occurring on or before the relevant date.

The Deed of Indemnity does not cover any claim and the Indemnifiers shall be under no liability under this Deed of Indemnity in respect of any penalty imposed on the Group under section 42 of the Estate Duty Ordinance by reason of the relevant company defaulting in any obligation to give information.

2. Litigation

As at the Latest Practicable Date, neither we nor any of our subsidiaries were/was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on its results of operations or financial condition.

3. Preliminary expenses

Our estimated preliminary expenses incurred or proposed to be incurred are approximately S\$5.9 million.

4. Promoter

There are no promoters of our Company.

5. Sole Sponsor

The Sole Sponsor made an application on our behalf to the Listing Committee of the Hong Kong Stock Exchange for listing of, and permission to deal in, the Shares in issue as mentioned herein, any Shares that may be issued upon the exercise of options that may be granted under the Share Option Scheme. All necessary arrangements have been made to enable such Shares to be admitted into CCASS. The Sole Sponsor confirms that it satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Our Company has entered into an engagement agreement with the Sole Sponsor, pursuant to which our Company agreed to pay the Sole Sponsor a fee of HK\$4.7 million to act as sponsor to our Company in the Global Offering.

6. No material adverse change

Our Directors confirm that, except as disclosed in “Summary — Recent Development and No Material Adverse Change” in the prospectus, there has been no material adverse change in our Company’s financial or trading position or prospects since 30 June 2017 (being the date to which our latest audited consolidated financial information were made up).

7. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

8. Miscellaneous

- (1) Save as disclosed in this prospectus:
 - (a) within the two years immediately preceding the date of this prospectus, no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (b) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (c) neither our Company nor any of our subsidiaries have issued or agreed to issue any founder shares, management shares or deferred shares;
 - (d) within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of our Group;
 - (e) within the two years preceding the date of this prospectus, no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares in our Company;
 - (f) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and
 - (g) we have no outstanding convertible debt securities.

- (2) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this prospectus.

9. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualification
Fortune Financial Capital Limited	A corporation licensed to conduct type 6 (advising on corporate finance) regulated activities under the SFO
PricewaterhouseCoopers	Certified Public Accountants
Morgan Lewis Stamford LLC	Legal advisers as to Singapore law to our Company
Dau & Tuah	Legal advisers as to Indonesia law to our Company
The Capital Law Office Limited	Legal advisers as to Thailand law to our Company
Polastri Wint & Partners Legal Services Limited	Legal advisers as to Myanmar law to our Company
Commerce & Finance Law Offices	Legal advisers as to PRC law to our Company
Kadir Andri & Partners	Legal advisers as to Malaysia law to our Company
Morgan, Lewis & Bockius LLP	Legal advisers as to U.S., EU and United Nations sanctions laws
Moulis Legal	Legal advisers as to Australia sanctions laws
Frost & Sullivan International Limited	Independent industry consultant
Jones Lang LaSalle Property Consultants Pte Ltd	Independent property valuer

10. Consents of experts

Each of the experts named in paragraph 9 of Part G of this Appendix has given and has not withdrawn their respective consent to the issue of this prospectus with the inclusion of its report and/or letter and/or summary of valuations and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

11. Bilingual prospectus

The English language and the Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE FOR INSPECTION

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were (i) copies of the Application Forms; (ii) the written consents referred to in the section headed “F. Other Information — 9. Qualifications of experts” in Appendix VI to this prospectus; and (iii) copies of the material contracts referred to in the section headed “C. Further Information about Our Business — 1. Summary of material contracts” in Appendix VI to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Luk & Partners in Association with Morgan, Lewis & Bockius, Unit 2001, Level 20, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. up to and including the date which is 14 days from the date of this prospectus:

- (a) our Constitution;
- (b) the Accountant’s Report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this prospectus;
- (c) the audited underlying financial statements of our Group for the years ended 30 September 2014, 2015 and 2016 and the nine months ended 30 June 2017;
- (d) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;
- (e) the Frost & Sullivan Report prepared by Frost & Sullivan;
- (f) the property valuation report relating to certain property interests of our Group prepared by Jones Lang LaSalle Property Consultants Pte Ltd, the text of which is set out in Appendix III to this prospectus;
- (g) the Singapore legal opinions issued by Morgan Lewis Stamford LLC, our Singapore Legal Advisers;
- (h) the Indonesia legal opinion issued by Dau & Tuah, our legal advisers as to the laws of Indonesia;
- (i) the Thailand legal opinion issued by The Capital Law Office Limited, our legal advisers as to the laws of Thailand;
- (j) the Myanmar legal opinion issued by Polastri Wint & Partners Legal Services Limited, our legal advisers as to the laws of Myanmar;

**APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES
IN HONG KONG AND AVAILABLE FOR INSPECTION**

- (k) the PRC legal opinions issued by Commerce & Finance Law Offices, our legal advisers as to the laws of the PRC;
- (l) the Malaysia legal opinion issued by Kadir Andri & Partners, our legal advisers as to the laws of Malaysia;
- (m) the legal memorandum prepared by Morgan, Lewis & Bockius LLP as to U.S., EU and United Nations sanctions laws in respect of our Group's business activities in Myanmar;
- (n) the legal memorandum prepared by Moulis Legal as to Australia sanctions laws in respect of our Group's business activities in Myanmar;
- (o) the service agreements of our Directors referred to in the section headed "C. Further Information about Our Directors — 1. Directors' service contracts and letters of appointment" in Appendix VI to this prospectus;
- (p) the material contracts referred to in the section headed "C. Further Information about Our Business — 1. Summary of material contracts" in Appendix VI to this prospectus;
- (q) the written consents referred to in the section headed "F. Other Information — 9. Qualifications of experts" in Appendix VI to this prospectus;
- (r) the rules of the LHN Performance Share Plan; and
- (s) the rules of the Share Option Scheme.

In addition, prospective investors and/or Shareholders can access copies of the following documents (all of which are very large documents and in English only) via the following web links:

- (a) The Singapore Companies Act:

<http://statutes.agc.gov.sg/aol/download/0/0/pdf/binaryFile/pdfFile.pdf?CompId:ff1013b2-4f30-4ab2-b2c0-e2e82f638d85>

- (b) The Singapore Securities and Futures Act:

<http://statutes.agc.gov.sg/aol/download/0/0/pdf/binaryFile/pdfFile.pdf?CompId:a2c648cb-d16c-4336-a1b5-7761751344fc>

- (c) The Singapore Takeovers Code:

<http://www.mas.gov.sg/~media/resource/sic/2015%20Code%20Amendments%20Response%20Press%20Release/Annex%202.pdf>

- (d) The Catalist Listing Manual:

http://rulebook.sgx.com/en/display/display_main.html?rbid=3271&element_id=3176

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